

COMMITTEE/SUBCOMMITTEE AMENDMENT

PCB Name: PCB SAC 14-06 (2014)

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

| | | |
|-----------------------|---|-------|
| ADOPTED | — | (Y/N) |
| ADOPTED AS AMENDED | — | (Y/N) |
| ADOPTED W/O OBJECTION | — | (Y/N) |
| FAILED TO ADOPT | — | (Y/N) |
| WITHDRAWN | — | (Y/N) |
| OTHER | — | |

1 Committee/Subcommittee hearing PCB: State Affairs Committee
2 Representative Boyd offered the following:

3
4 **Amendment (with title amendment)**

5 Remove lines 211-797 and insert:

6 Section 4. Subsections (3) and (5) of section 121.053,
7 Florida Statutes, are amended to read:

8 121.053 Participation in the Elected Officers' Class for
9 retired members.—

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

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

16 (b) An elected officer who is elected or appointed to an
17 elective office and is participating in the Deferred Retirement

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18 Option Program is subject to termination as defined in s.
19 121.021 upon completion of his or her DROP participation period.
20 An elected official may defer termination as provided in
21 subsection (7).

22 (5) A Any renewed member, as described in s. 121.122(1),
23 (3), (4), or (5) subsection (1) or subsection (2), who is not
24 receiving the maximum health insurance subsidy provided in s.
25 112.363 is entitled to earn additional credit toward the maximum
26 health insurance subsidy. Any additional subsidy due because of
27 such additional credit may be received only at the time of
28 payment of the second career retirement benefit. The total
29 health insurance subsidy received from initial and renewed
30 membership may not exceed the maximum allowed in s. 112.363.

31 Section 5. Paragraph (f) of subsection (1) and paragraph
32 (c) of subsection (6) of section 121.055, Florida Statutes, are
33 amended to read:

34 121.055 Senior Management Service Class.—There is hereby
35 established a separate class of membership within the Florida
36 Retirement System to be known as the "Senior Management Service
37 Class," which shall become effective February 1, 1987.

38 (1)

39 (f) Effective July 1, 1997, through June 30, 2015:

40 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
41 4., an elected state officer eligible for membership in the
42 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
43 elects membership in the Senior Management Service Class under

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44 s. 121.052(3)(c) may, within 6 months after assuming office or
45 within 6 months after this act becomes a law for serving elected
46 state officers, elect to participate in the Senior Management
47 Service Optional Annuity Program, as provided in subsection (6),
48 in lieu of membership in the Senior Management Service Class.

49 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
50 4., an elected officer of a local agency employer eligible for
51 membership in the Elected Officers' Class under s. 121.052(2)(d)
52 who elects membership in the Senior Management Service Class
53 under s. 121.052(3)(c) may, within 6 months after assuming
54 office, or within 6 months after this act becomes a law for
55 serving elected officers of a local agency employer, elect to
56 withdraw from the Florida Retirement System, as provided in
57 subparagraph (b)2., in lieu of membership in the Senior
58 Management Service Class.

59 3. A retiree of a state-administered retirement system who
60 is initially reemployed in a regularly established position on
61 or after July 1, 2010, through December 31, 2014, as an elected
62 official eligible for the Elected Officers' Class may not be
63 enrolled in renewed membership in the Senior Management Service
64 Class or in the Senior Management Service Optional Annuity
65 Program as provided in subsection (6), and may not withdraw from
66 the Florida Retirement System as a renewed member as provided in
67 subparagraph (b)2., as applicable, in lieu of membership in the
68 Senior Management Service Class. Effective January 1, 2015, a
69 retiree of the Senior Management Service Optional Annuity

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70 Program who retired before July 1, 2010, and is reemployed in a
71 regularly established position with a covered employer shall be
72 enrolled as a renewed member as provided in s. 121.122.

73 4. On or after July 1, 2015, an elected official eligible
74 for membership in the Elected Officers' Class may not enroll in
75 the Senior Management Service Class or in the Senior Management
76 Service Optional Annuity Program as provided in subsection (6).

77 (6)

78 (c) *Participation.*—

79 1. An eligible employee who is employed on or before
80 February 1, 1987, may elect to participate in the optional
81 annuity program in lieu of participating in the Senior
82 Management Service Class. Such election must be made in writing
83 and filed with the department and the personnel officer of the
84 employer on or before May 1, 1987. An eligible employee who is
85 employed on or before February 1, 1987, and who fails to make an
86 election to participate in the optional annuity program by May
87 1, 1987, shall be deemed to have elected membership in the
88 Senior Management Service Class.

89 2. Except as provided in subparagraph 6., an employee who
90 becomes eligible to participate in the optional annuity program
91 by reason of initial employment commencing after February 1,
92 1987, may, within 90 days after the date of commencing
93 employment, elect to participate in the optional annuity
94 program. Such election must be ~~made~~ made in writing and filed with
95 the personnel officer of the employer. An eligible employee who

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96 does not within 90 days after commencing employment elect to
97 participate in the optional annuity program shall be deemed to
98 have elected membership in the Senior Management Service Class.

99 3. A person who is appointed to a position in the Senior
100 Management Service Class and who is a member of an existing
101 retirement system or the Special Risk or Special Risk
102 Administrative Support Classes of the Florida Retirement System
103 may elect to remain in such system or class in lieu of
104 participating in the Senior Management Service Class or optional
105 annuity program. Such election must be ~~made~~ in writing and filed
106 with the department and the personnel officer of the employer
107 within 90 days after such appointment. An eligible employee who
108 fails to make an election to participate in the existing system,
109 the Special Risk Class of the Florida Retirement System, the
110 Special Risk Administrative Support Class of the Florida
111 Retirement System, or the optional annuity program shall be
112 deemed to have elected membership in the Senior Management
113 Service Class.

114 4. Except as provided in subparagraph 5., an employee's
115 election to participate in the optional annuity program is
116 irrevocable if the employee continues to be employed in an
117 eligible position and continues to meet the eligibility
118 requirements set forth in this paragraph.

119 5. Effective from July 1, 2002, through September 30,
120 2002, an active employee in a regularly established position who
121 has elected to participate in the Senior Management Service

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122 Optional Annuity Program has one opportunity to choose to move
123 from the Senior Management Service Optional Annuity Program to
124 the Florida Retirement System Pension Plan.

125 a. The election must be ~~made~~ in writing and must be filed
126 with the department and the personnel officer of the employer
127 before October 1, 2002, or, in the case of an active employee
128 who is on a leave of absence on July 1, 2002, within 90 days
129 after the conclusion of the leave of absence. This election is
130 irrevocable.

131 b. The employee shall receive service credit under the
132 pension plan equal to his or her years of service under the
133 Senior Management Service Optional Annuity Program. The cost for
134 such credit is the amount representing the present value of that
135 employee's accumulated benefit obligation for the affected
136 period of service.

137 c. The employee must transfer the total accumulated
138 employer contributions and earnings on deposit in his or her
139 Senior Management Service Optional Annuity Program account. If
140 the transferred amount is not sufficient to pay the amount due,
141 the employee must pay a sum representing the remainder of the
142 amount due. The employee may not retain any employer
143 contributions or earnings from the Senior Management Service
144 Optional Annuity Program account.

145 6. A retiree of a state-administered retirement system who
146 is initially reemployed on ~~or after~~ July 1, 2010, through
147 December 31, 2014, may not renew membership in the Senior

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148 Management Service Optional Annuity Program. Effective January
149 1, 2015, a retiree of the Senior Management Service Optional
150 Annuity Program who retired before July 1, 2010, and is
151 reemployed in a regularly established position with a covered
152 employer shall be enrolled as a renewed member as provided in s.
153 121.122.

154 7. Effective July 1, 2015, the Senior Management Service
155 Optional Annuity Program is closed to new members. Members
156 enrolled in the Senior Management Service Optional Annuity
157 Program before July 1, 2015, may retain their membership in the
158 annuity program.

159 Section 6. Paragraph (a) of subsection (4) of section
160 121.091, Florida Statutes, is amended to read:

161 121.091 Benefits payable under the system.—Benefits may
162 not be paid under this section unless the member has terminated
163 employment as provided in s. 121.021(39) (a) or begun
164 participation in the Deferred Retirement Option Program as
165 provided in subsection (13), and a proper application has been
166 filed in the manner prescribed by the department. The department
167 may cancel an application for retirement benefits when the
168 member or beneficiary fails to timely provide the information
169 and documents required by this chapter and the department's
170 rules. The department shall adopt rules establishing procedures
171 for application for retirement benefits and for the cancellation
172 of such application when the required information or documents
173 are not received.

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174 (4) DISABILITY RETIREMENT BENEFIT.—

175 (a) *Disability retirement; entitlement and effective*
176 *date.—*

177 1.a. A member who becomes totally and permanently
178 disabled, as defined in paragraph (b), after completing 5 years
179 of creditable service, or a member who becomes totally and
180 permanently disabled in the line of duty regardless of service,
181 is entitled to a monthly disability benefit, ~~+~~ except that any
182 member with less than 5 years of creditable service on July 1,
183 1980, or any person who becomes a member of the Florida
184 Retirement System on or after such date must have completed 10
185 years of creditable service before becoming totally and
186 permanently disabled in order to receive disability retirement
187 benefits for a any disability that ~~which~~ occurs other than in
188 the line of duty. However, if a member employed on July 1, 1980,
189 who has less than 5 years of creditable service as of that date
190 becomes totally and permanently disabled after completing 5
191 years of creditable service and is found not to have attained
192 fully insured status for benefits under the federal Social
193 Security Act, such member is entitled to a monthly disability
194 benefit.

195 b. Effective July 1, 2001, a member of the pension plan
196 initially enrolled before July 1, 2015, who becomes totally and
197 permanently disabled, as defined in paragraph (b), after
198 completing 8 years of creditable service, or a member who
199 becomes totally and permanently disabled in the line of duty

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200 regardless of service, is entitled to a monthly disability
201 benefit.

202 c. Effective July 1, 2015, a member of the pension plan
203 initially enrolled on or after July 1, 2015, who becomes totally
204 and permanently disabled, as defined in paragraph (b), after
205 completing 10 years of creditable service, or a member who
206 becomes totally and permanently disabled in the line of duty
207 regardless of service, is entitled to a monthly disability
208 benefit.

209 2. If the division ~~has received from the employer~~ the
210 required documentation of the member's termination of employment
211 from the employer, the effective retirement date for a member
212 who applies and is approved for disability retirement shall be
213 as established by rule of the division.

214 3. For a member who is receiving Workers' Compensation
215 payments, the effective disability retirement date may not
216 precede the date the member reaches Maximum Medical Improvement
217 (MMI), unless the member terminates employment before reaching
218 MMI.

219 Section 7. Subsection (2) of section 121.122, Florida
220 Statutes, is amended, and subsections (3), (4), and (5) are
221 added to that section, to read:

222 121.122 Renewed membership in system.—

223 (2) Except as otherwise provided in subsections (3)-(5), a
224 retiree of a state-administered retirement system who is

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225 initially reemployed in a regularly established position on or
226 after July 1, 2010, may not be enrolled as a renewed member.

227 (3) A retiree of the investment plan, the State University
228 System Optional Retirement Program, the Senior Management
229 Service Optional Annuity Program, or the State Community College
230 System Optional Retirement Program who retired before July 1,
231 2010, but did not complete 10 years of creditable service and is
232 employed in a regularly established position with a covered
233 employer on or after January 1, 2015, shall be a renewed member
234 of the Regular Class of the investment plan regardless of the
235 position held, unless employed in a position eligible for
236 participation in the State University System Optional Retirement
237 Program or the State Community College System Optional
238 Retirement Program as provided in subsections (4) and (5),
239 respectively. The renewed member must satisfy the vesting
240 requirements and other provisions of this chapter.

241 (a) Creditable service, including credit toward the
242 retiree health insurance subsidy provided in s. 112.363, does
243 not accrue for a retiree's employment in a regularly established
244 position with a covered employer from July 1, 2010, through
245 December 31, 2014.

246 (b) Employer and employee contributions, interest,
247 earnings, or any other funds may not be paid into a renewed
248 member's investment plan account for any employment in a
249 regularly established position with a covered employer from July

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250 1, 2010, through December 31, 2014, by the renewed member or the
251 employer on behalf of the member.

252 (c) To be eligible to receive a retirement benefit, the
253 renewed member must satisfy the vesting requirements in s.
254 121.4501(6).

255 (d) The member is ineligible to receive disability
256 benefits as provided in s. 121.091(4) or s. 121.591(2).

257 (e) The member is subject to the reemployment after
258 retirement limitations provided in s. 121.091(9), as applicable.

259 (f) The member must satisfy the requirements for
260 termination from employment provided in s. 121.021(39).

261 (g) Upon the renewed membership or reemployment of a
262 retiree, the employer and the retiree shall pay the applicable
263 employer and employee contributions required under ss. 112.363,
264 121.71, 121.74, and 121.76. The contributions are payable only
265 for employment and salary earned in a regularly established
266 position with a covered employer on or after January 1, 2015.
267 The employer and employee contributions shall be transferred to
268 the investment plan and placed in a default fund as designated
269 by the state board. The retiree may move the contributions once
270 an account is activated in the investment plan.

271 (h) The member may not purchase any past service in the
272 investment plan, including employment in a regularly established
273 position with a covered employer from July 1, 2010, through
274 December 31, 2014.

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275 (i) A renewed member who is a retiree of the investment
276 plan and who is not receiving the maximum health insurance
277 subsidy provided in s. 112.363 is entitled to earn additional
278 credit toward the subsidy. Such credit may be earned only for
279 employment in a regularly established position with a covered
280 employer on or after January 1, 2015. Any additional subsidy due
281 because of additional credit may be received only at the time of
282 paying the second career retirement benefit. The total health
283 insurance subsidy received by a retiree receiving benefits from
284 initial and renewed membership may not exceed the maximum
285 allowed under s. 112.363.

286 (4) A retiree of the investment plan, the State University
287 System Optional Retirement Program, the Senior Management
288 Service Optional Annuity Program, or the State Community College
289 System Optional Retirement Program who retired before July 1,
290 2010, and is employed in a regularly established position
291 eligible for participation in the State University System
292 Optional Retirement Program on or after January 1, 2015, shall
293 become a renewed member of the optional retirement program. The
294 renewed member must satisfy the vesting requirements and other
295 provisions of this chapter. Once enrolled, a renewed member
296 remains enrolled in the optional retirement program while
297 employed in an eligible position for the optional retirement
298 program. If employment in a different covered position results
299 in the retiree's enrollment in the investment plan, the retiree

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300 is no longer eligible to participate in the optional retirement
301 program unless employed in a mandatory position under s. 121.35.

302 (a) The member is subject to the reemployment after
303 retirement limitations provided in s. 121.091(9), as applicable.

304 (b) The member must satisfy the requirements for
305 termination of employment provided in s. 121.021(39).

306 (c) Upon renewed membership or reemployment of a retiree,
307 the employer and the retiree shall pay the applicable employer
308 and employee contributions required under s. 121.35.

309 (d) The member, or the employer on behalf of the member,
310 may not purchase any prior service in the optional retirement
311 program or employment from July 1, 2010, to December 31, 2014,
312 when renewed membership is not available.

313 (5) A retiree of the investment plan, the State University
314 System Optional Retirement Program, the Senior Management
315 Service Optional Annuity Program, or the State Community College
316 System Optional Retirement Program who retired before July 1,
317 2010, and is employed in a regularly established position
318 eligible for participation in the State Community College System
319 Optional Retirement Program as provided in s. 121.051(2)(c)4. on
320 or after January 1, 2015, shall become a renewed member of the
321 optional retirement program. The renewed member must satisfy the
322 eligibility requirements of this chapter and s. 1012.875 for the
323 optional retirement program. Once enrolled, a renewed member
324 remains enrolled in the optional retirement program while
325 employed in an eligible position for the optional retirement

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326 program. If employment in a different covered position results
327 in the retiree's enrollment in the investment plan, the retiree
328 is no longer eligible to participate in the optional retirement
329 program.

330 (a) The member is subject to the reemployment after
331 retirement limitations provided in s. 121.091(9), as applicable.

332 (b) The member must satisfy the requirements for
333 termination of employment provided in s. 121.021(39).

334 (c) Upon renewed membership or reemployment of a retiree,
335 the employer and the retiree shall pay the applicable employer
336 and employee contributions required under ss. 121.051(2)(c) and
337 1012.875.

338 (d) The member, or the employer on behalf of the member,
339 may not purchase any past service in the optional retirement
340 program or employment accrued from July 1, 2010, to December 31,
341 2014.

342 Section 8. Subsection (1), paragraphs (e) and (i) of
343 subsection (2), paragraph (b) of subsection (3), subsection (4),
344 paragraph (c) of subsection (5), subsection (8), and paragraphs
345 (a), (b), (c), and (h) of subsection (10) of section 121.4501,
346 Florida Statutes, are amended to read:

347 121.4501 Florida Retirement System Investment Plan.—

348 (1) The Trustees of the State Board of Administration
349 shall establish a defined contribution program called the
350 "Florida Retirement System Investment Plan" or "investment plan"
351 for members of the Florida Retirement System under which

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352 retirement benefits will be provided for eligible employees who
353 elect to participate in the program and for employees initially
354 enrolled on or after July 1, 2015, in positions covered by the
355 Elected Officers' Class or the Senior Management Service Class
356 and are compulsory members of the investment plan unless the
357 member withdraws from the system under s. 121.052(3)(d) or s.
358 121.055(1)(b)2., or participates in an optional retirement
359 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.
360 Investment plan membership continues if there is subsequent
361 employment in a position covered by another membership class.

362 The retirement benefits shall be provided through member-
363 directed investments, in accordance with s. 401(a) of the
364 Internal Revenue Code and related regulations. The employer and
365 employee shall make contributions, as provided in this section
366 and ss. 121.571 and 121.71, to the Florida Retirement System
367 Investment Plan Trust Fund toward the funding of benefits.

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

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

371 1. Is a member of, or is eligible for membership in, the
372 Florida Retirement System, including any renewed member of the
373 Florida Retirement System initially enrolled before July 1,
374 2010; ~~or~~

375 2. Participates in, or is eligible to participate in, the
376 Senior Management Service Optional Annuity Program as
377 established under s. 121.055(6), the State Community College

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378 System Optional Retirement Program as established under s.
379 121.051(2)(c), or the State University System Optional
380 Retirement Program established under s. 121.35; or
381 3. Is a retired member of the investment plan, the State
382 University System Optional Retirement Program, the Senior
383 Management Service Optional Annuity Program, or the State
384 Community College System Optional Retirement Program who retired
385 before July 1, 2010, and is employed in a regularly established
386 position on or after January 1, 2015, as provided in s. 121.122.
387

388 The term does not include any member participating in the
389 Deferred Retirement Option Program established under s.
390 121.091(13), a retiree of a state-administered retirement system
391 who retired initially reemployed in a regularly established
392 position on or after July 1, 2010, or a mandatory participant of
393 the State University System Optional Retirement Program
394 established under s. 121.35.

395 (i) "Member" or "employee" means an eligible employee who
396 enrolls in, or is defaulted into, the investment plan as
397 provided in subsection (4), a terminated Deferred Retirement
398 Option Program member as described in subsection (21), or a
399 beneficiary or alternate payee of a member or employee.

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

401 (b) Notwithstanding paragraph (a), an eligible employee
402 who elects to participate in, or is defaulted into, the
403 investment plan and establishes one or more individual member

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404 accounts may elect to transfer to the investment plan a sum
405 representing the present value of the employee's accumulated
406 benefit obligation under the pension plan, except as provided in
407 paragraph (4)(b). Upon transfer, all service credit earned under
408 the pension plan is nullified for purposes of entitlement to a
409 future benefit under the pension plan. A member may not transfer
410 the accumulated benefit obligation balance from the pension plan
411 after the time period for enrolling in the investment plan has
412 expired.

413 1. For purposes of this subsection, the present value of
414 the member's accumulated benefit obligation is based upon the
415 member's estimated creditable service and estimated average
416 final compensation under the pension plan, subject to
417 recomputation under subparagraph 2. For state employees, initial
418 estimates shall be based upon creditable service and average
419 final compensation as of midnight on June 30, 2002; for district
420 school board employees, initial estimates shall be based upon
421 creditable service and average final compensation as of midnight
422 on September 30, 2002; and for local government employees,
423 initial estimates shall be based upon creditable service and
424 average final compensation as of midnight on December 31, 2002.
425 The dates specified are the "estimate date" for these employees.
426 The actuarial present value of the employee's accumulated
427 benefit obligation shall be based on the following:

428 a. The discount rate and other relevant actuarial
429 assumptions used to value the Florida Retirement System Trust

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430 Fund at the time the amount to be transferred is determined,
431 consistent with the factors provided in sub-subparagraphs b. and
432 c.

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

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

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

440 (A) Age 62; or

441 (B) The age the member would attain if the member
442 completed 30 years of service with an employer, assuming the
443 member worked continuously from the estimate date, and
444 disregarding any vesting requirement that would otherwise apply
445 under the pension plan.

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

449 (A) Age 65; or

450 (B) The age the member would attain if the member
451 completed 33 years of service with an employer, assuming the
452 member worked continuously from the estimate date, and
453 disregarding any vesting requirement that would otherwise apply
454 under the pension plan.

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455 d. For members of the Special Risk Class and for members
456 of the Special Risk Administrative Support Class entitled to
457 retain the special risk normal retirement date:

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

461 (A) Age 55; or

462 (B) The age the member would attain if the member
463 completed 25 years of service with an employer, assuming the
464 member worked continuously from the estimate date, and
465 disregarding any vesting requirement that would otherwise apply
466 under the pension plan.

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

471 (A) Age 60; or

472 (B) The age the member would attain if the member
473 completed 30 years of service with an employer, assuming the
474 member worked continuously from the estimate date, and
475 disregarding any vesting requirement that would otherwise apply
476 under the pension plan.

477 e. The calculation must disregard vesting requirements and
478 early retirement reduction factors that would otherwise apply
479 under the pension plan.

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480 2. For each member who elects to transfer moneys from the
481 pension plan to his or her account in the investment plan, the
482 division shall recompute the amount transferred under
483 subparagraph 1. within 60 days after the actual transfer of
484 funds based upon the member's actual creditable service and
485 actual final average compensation as of the initial date of
486 participation in the investment plan. If the recomputed amount
487 differs from the amount transferred by \$10 or more, the division
488 shall:

489 a. Transfer, or cause to be transferred, from the Florida
490 Retirement System Trust Fund to the member's account the excess,
491 if any, of the recomputed amount over the previously transferred
492 amount together with interest from the initial date of transfer
493 to the date of transfer under this subparagraph, based upon the
494 effective annual interest equal to the assumed return on the
495 actuarial investment which was used in the most recent actuarial
496 valuation of the system, compounded annually.

497 b. Transfer, or cause to be transferred, from the member's
498 account to the Florida Retirement System Trust Fund the excess,
499 if any, of the previously transferred amount over the recomputed
500 amount, together with interest from the initial date of transfer
501 to the date of transfer under this subparagraph, based upon 6
502 percent effective annual interest, compounded annually, pro rata
503 based on the member's allocation plan.

504 3. If contribution adjustments are made as a result of
505 employer errors or corrections, including plan corrections,

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506 following recomputation of the amount transferred under
507 subparagraph 1., the member is entitled to the additional
508 contributions or is responsible for returning any excess
509 contributions resulting from the correction. However, a ~~any~~
510 return of such erroneous excess pretax contribution by the plan
511 must be made within the period allowed by the Internal Revenue
512 Service. The present value of the member's accumulated benefit
513 obligation may ~~shall~~ not be recalculated.

514 4. As directed by the member, the state board shall
515 transfer or cause to be transferred the appropriate amounts to
516 the designated accounts within 30 days after the effective date
517 of the member's participation in the investment plan unless the
518 major financial markets for securities available for a transfer
519 are seriously disrupted by an unforeseen event that causes the
520 suspension of trading on a ~~any~~ national securities exchange in
521 the country where the securities were issued. In that event, the
522 30-day period may be extended by a resolution of the state
523 board. Transfers are not commissionable or subject to other fees
524 and may be in the form of securities or cash, as determined by
525 the state board. Such securities are valued as of the date of
526 receipt in the member's account.

527 5. If the state board or the division receives
528 notification from the United States Internal Revenue Service
529 that this paragraph or any portion of this paragraph will cause
530 the retirement system, or a portion thereof, to be disqualified
531 for tax purposes under the Internal Revenue Code, the portion

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532 that will cause the disqualification does not apply. Upon such
533 notice, the state board and the division shall notify the
534 presiding officers of the Legislature.

535 (4) PARTICIPATION; ENROLLMENT.—

536 (a)1. Effective June 1, 2002, through February 28, 2003, a
537 90-day election period was provided to each eligible employee
538 participating in the Florida Retirement System, preceded by a
539 90-day education period, permitting each eligible employee to
540 elect membership in the investment plan, and an employee who
541 failed to elect the investment plan during the election period
542 remained in the pension plan. An eligible employee who was
543 employed in a regularly established position during the election
544 period was granted the option to make one subsequent election,
545 as provided in paragraph (f). With respect to an eligible
546 employee who did not participate in the initial election period
547 or who is initially ~~employee who is~~ employed in a regularly
548 established position after the close of the initial election
549 period but before July 1, 2015, ~~on June 1, 2002, by a state~~
550 ~~employer.~~

551 ~~a. Any such employee may elect to participate in the~~
552 ~~investment plan in lieu of retaining his or her membership in~~
553 ~~the pension plan. The election must be made in writing or by~~
554 ~~electronic means and must be filed with the third party~~
555 ~~administrator by August 31, 2002, or, in the case of an active~~
556 ~~employee who is on a leave of absence on April 1, 2002, by the~~
557 ~~last business day of the 5th month following the month the leave~~

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558 ~~of absence concludes. This election is irrevocable, except as~~
559 ~~provided in paragraph (g). Upon making such election, the~~
560 ~~employee shall be enrolled as a member of the investment plan,~~
561 ~~the employee's membership in the Florida Retirement System is~~
562 ~~governed by the provisions of this part, and the employee's~~
563 ~~membership in the pension plan terminates. The employee's~~
564 ~~enrollment in the investment plan is effective the first day of~~
565 ~~the month for which a full month's employer contribution is made~~
566 ~~to the investment plan.~~

567 ~~b. Any such employee who fails to elect to participate in~~
568 ~~the investment plan within the prescribed time period is deemed~~
569 ~~to have elected to retain membership in the pension plan, and~~
570 ~~the employee's option to elect to participate in the investment~~
571 ~~plan is forfeited.~~

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

576 ~~a. Any such employee shall, by default, be enrolled in the~~
577 ~~pension plan at the commencement of employment, and may, by the~~
578 ~~last business day of the 5th month following the employee's~~
579 ~~month of hire, elect to participate in the investment plan. The~~
580 ~~employee's election must be made in writing or by electronic~~
581 ~~means and must be filed with the third-party administrator. The~~
582 ~~election to participate in the investment plan is irrevocable,~~
583 ~~except as provided in paragraph (f) ~~(g)~~.~~

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584 ~~a.b.~~ If the employee files such election within the
585 prescribed time period, enrollment in the investment plan is
586 effective on the first day of employment. The retirement
587 contributions paid through the month of the employee plan change
588 shall be transferred to the investment program, and, effective
589 the first day of the next month, the employer and employee must
590 pay the applicable contributions based on the employee
591 membership class in the program.

592 ~~b.e.~~ An employee who fails to elect to participate in the
593 investment plan within the prescribed time period is deemed to
594 have elected to retain membership in the pension plan, and the
595 employee's option to elect to participate in the investment plan
596 is forfeited.

597 ~~2.3.~~ With respect to employees who become eligible to
598 participate in the investment plan pursuant to s.
599 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
600 participate in the investment plan in lieu of retaining his or
601 her membership in the State Community College System Optional
602 Retirement Program or the State University System Optional
603 Retirement Program. The election must be ~~made~~ in writing or by
604 electronic means and must be filed with the third-party
605 administrator. This election is irrevocable, except as provided
606 in paragraph ~~(f)(g)~~ (f). Upon making such election, the employee
607 shall be enrolled as a member in the investment plan, the
608 employee's membership in the Florida Retirement System is
609 governed by the provisions of this part, and the employee's

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610 participation in the State Community College System Optional
611 Retirement Program or the State University System Optional
612 Retirement Program terminates. The employee's enrollment in the
613 investment plan is effective on the first day of the month for
614 which a full month's employer and employee contribution is made
615 to the investment plan.

616 (b)1. With respect to employees who become eligible to
617 participate in the investment plan, except as provided in
618 paragraph (g), by reason of employment in a regularly
619 established position commencing on or after July 1, 2015, any
620 such employee shall be enrolled in the pension plan at the
621 commencement of employment and may, by the last business day of
622 the 8th month following the employee's month of hire, elect to
623 participate in the pension plan or the investment plan. Eligible
624 employees may make a plan election only if they are earning
625 service credit in an employer-employee relationship consistent
626 with s. 121.021(17) (b), excluding leaves of absence without pay.

627 2. The employee's election must be made in writing or by
628 electronic means and must be filed with the third-party
629 administrator. The election to participate in the pension plan
630 or investment plan is irrevocable, except as provided in
631 paragraph (f).

632 3. If the employee fails to make an election of the
633 pension plan or investment plan within 8 months following the
634 month of hire, the employee is deemed to have elected the
635 investment plan and will be defaulted into the investment plan

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636 retroactively to the employee's date of employment. The
637 employee's option to participate in the pension plan is
638 forfeited, except as provided in paragraph (f).

639 4. The amount of the employee and employer contributions
640 paid before the default to the investment plan shall be
641 transferred to the investment plan and shall be placed in a
642 default fund as designated by the State Board of Administration.
643 The employee may move the contributions once an account is
644 activated in the investment plan.

645 5. Effective the first day of the month after an eligible
646 employee makes a plan election of the pension plan or investment
647 plan, or after the month of default to the investment plan, the
648 employee and employer shall pay the applicable contributions
649 based on the employee membership class in the program.

650 ~~4. For purposes of this paragraph, "state employer" means~~
651 ~~any agency, board, branch, commission, community college,~~
652 ~~department, institution, institution of higher education, or~~
653 ~~water management district of the state, which participates in~~
654 ~~the Florida Retirement System for the benefit of certain~~
655 ~~employees.~~

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

659 ~~a. Any such employee may elect to participate in the~~
660 ~~investment plan in lieu of retaining his or her membership in~~
661 ~~the pension plan. The election must be made in writing or by~~

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662 ~~electronic means and must be filed with the third party~~
663 ~~administrator by November 30, or, in the case of an active~~
664 ~~employee who is on a leave of absence on July 1, 2002, by the~~
665 ~~last business day of the 5th month following the month the leave~~
666 ~~of absence concludes. This election is irrevocable, except as~~
667 ~~provided in paragraph (g). Upon making such election, the~~
668 ~~employee shall be enrolled as a member of the investment plan,~~
669 ~~the employee's membership in the Florida Retirement System is~~
670 ~~governed by the provisions of this part, and the employee's~~
671 ~~membership in the pension plan terminates. The employee's~~
672 ~~enrollment in the investment plan is effective the first day of~~
673 ~~the month for which a full month's employer contribution is made~~
674 ~~to the investment program.~~

675 ~~b. Any such employee who fails to elect to participate in~~
676 ~~the investment plan within the prescribed time period is deemed~~
677 ~~to have elected to retain membership in the pension plan, and~~
678 ~~the employee's option to elect to participate in the investment~~
679 ~~plan is forfeited.~~

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

684 ~~a. Any such employee shall, by default, be enrolled in the~~
685 ~~pension plan at the commencement of employment, and may, by the~~
686 ~~last business day of the 5th month following the employee's~~
687 ~~month of hire, elect to participate in the investment plan. The~~

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688 ~~employee's election must be made in writing or by electronic~~
689 ~~means and must be filed with the third party administrator. The~~
690 ~~election to participate in the investment plan is irrevocable,~~
691 ~~except as provided in paragraph (g).~~

692 ~~b. If the employee files such election within the~~
693 ~~prescribed time period, enrollment in the investment plan is~~
694 ~~effective on the first day of employment. The employer~~
695 ~~retirement contributions paid through the month of the employee~~
696 ~~plan change shall be transferred to the investment plan, and,~~
697 ~~effective the first day of the next month, the employer shall~~
698 ~~pay the applicable contributions based on the employee~~
699 ~~membership class in the investment plan.~~

700 ~~e. Any such employee who fails to elect to participate in~~
701 ~~the investment plan within the prescribed time period is deemed~~
702 ~~to have elected to retain membership in the pension plan, and~~
703 ~~the employee's option to elect to participate in the investment~~
704 ~~plan is forfeited.~~

705 ~~3. For purposes of this paragraph, "district school board~~
706 ~~employer" means any district school board that participates in~~
707 ~~the Florida Retirement System for the benefit of certain~~
708 ~~employees, or a charter school or charter technical career~~
709 ~~center that participates in the Florida Retirement System as~~
710 ~~provided in s. 121.051(2)(d).~~

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

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COMMITTEE/SUBCOMMITTEE AMENDMENT

PCB Name: PCB SAC 14-06 (2014)

Amendment No.

714 ~~a. Any such employee may elect to participate in the~~
715 ~~investment plan in lieu of retaining his or her membership in~~
716 ~~the pension plan. The election must be made in writing or by~~
717 ~~electronic means and must be filed with the third party~~
718 ~~administrator by February 28, 2003, or, in the case of an active~~
719 ~~employee who is on a leave of absence on October 1, 2002, by the~~
720 ~~last business day of the 5th month following the month the leave~~
721 ~~of absence concludes. This election is irrevocable, except as~~
722 ~~provided in paragraph (g). Upon making such election, the~~
723 ~~employee shall be enrolled as a participant of the investment~~
724 ~~plan, the employee's membership in the Florida Retirement System~~
725 ~~is governed by the provisions of this part, and the employee's~~
726 ~~membership in the pension plan terminates. The employee's~~
727 ~~enrollment in the investment plan is effective the first day of~~
728 ~~the month for which a full month's employer contribution is made~~
729 ~~to the investment plan.~~

730 ~~b. Any such employee who fails to elect to participate in~~
731 ~~the investment plan within the prescribed time period is deemed~~
732 ~~to have elected to retain membership in the pension plan, and~~
733 ~~the employee's option to elect to participate in the investment~~
734 ~~plan is forfeited.~~

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

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Amendment No.

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

747 ~~b. If the employee files such election within the~~
748 ~~prescribed time period, enrollment in the investment plan is~~
749 ~~effective on the first day of employment. The employer~~
750 ~~retirement contributions paid through the month of the employee~~
751 ~~plan change shall be transferred to the investment plan, and,~~
752 ~~effective the first day of the next month, the employer shall~~
753 ~~pay the applicable contributions based on the employee~~
754 ~~membership class in the investment plan.~~

755 ~~e. Any such employee who fails to elect to participate in~~
756 ~~the investment plan within the prescribed time period is deemed~~
757 ~~to have elected to retain membership in the pension plan, and~~
758 ~~the employee's option to elect to participate in the investment~~
759 ~~plan is forfeited.~~

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

762 ~~(c)(d)~~ Contributions available for self-direction by a
763 member who has not selected one or more specific investment
764 products shall be allocated as prescribed by the state board.

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765 The third-party administrator shall notify the member at least
766 quarterly that the member should take an affirmative action to
767 make an asset allocation among the investment products.

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

772 (e)~~(f)~~ A member of the investment plan who takes a
773 distribution of any contributions from his or her investment
774 plan account is considered a retiree. A member retiree who
775 retires ~~is initially reemployed in a regularly established~~
776 ~~position~~ on or after July 1, 2010, is not eligible to be
777 enrolled in renewed membership. A member who retired before July
778 1, 2010, and is employed on or after January 1, 2015, in a
779 regularly established position shall be a renewed member as
780 provided in s. 121.122, except that a retiree who has returned
781 to covered employment before July 1, 2010, may continue
782 membership in the plan he or she chooses.

783
784
785
786 -----
787 **T I T L E A M E N D M E N T**

788 Remove lines 15-36 and insert:

789 date; amending s. 121.053, F.S.; authorizing renewed
790 membership in the retirement system for retirees who

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COMMITTEE/SUBCOMMITTEE AMENDMENT

PCB Name: PCB SAC 14-06 (2014)

Amendment No.

791 are reemployed in a position eligible for the Elected
792 Officers' Class under certain circumstances; amending
793 s. 121.055, F.S.; authorizing renewed membership in
794 the retirement system for retirees of the Senior
795 Management Service Optional Annuity Program who are
796 reemployed on or after a specified date; prohibiting
797 an elected official eligible for membership in the
798 Elected Officers' Class from enrolling in the Senior
799 Management Service Class or in the Senior Management
800 Service Optional Annuity Program; closing the Senior
801 Management Service Optional Annuity Program to new
802 members after a specified date; amending s. 121.091,
803 F.S.; increasing the service time required to qualify
804 for disability benefits to 10 years for members
805 enrolled in the pension plan on or after a specified
806 date; revising provisions to conform to changes made
807 by the act; amending s. 121.122, F.S.; requiring that
808 certain retirees who are employed on or after a
809 specified date be renewed members in the investment
810 plan; providing exceptions; providing that creditable
811 service does not accrue for a reemployed retiree
812 during a specified period; prohibiting certain funds
813 from being paid into a renewed member's investment
814 plan account for a specified period of employment;
815 requiring the renewed member to satisfy vesting
816 requirements; prohibiting a renewed member from

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COMMITTEE/SUBCOMMITTEE AMENDMENT

PCB Name: PCB SAC 14-06 (2014)

Amendment No.

817 receiving disability benefits; specifying requirements
818 and limitations; requiring the employer and the
819 retiree to make applicable contributions to the
820 member's investment plan account; providing for the
821 administration of the employer and employee
822 contributions; prohibiting the purchase of past
823 service in the investment plan during certain dates;
824 authorizing a renewed member to receive additional
825 credit toward the health insurance subsidy under
826 certain circumstances; providing that a retiree
827 employed on or after a specified date in a regularly
828 established position eligible for the State University
829 System Optional Retirement Program is a renewed member
830 of that program; specifying requirements and
831 limitations; requiring the employer and the retiree to
832 make applicable contributions; prohibiting the
833 purchase of past service in the program during certain
834 dates; providing that a retiree employed on or after a
835 specified date in a regularly established position
836 eligible for the State Community College System
837 Optional Retirement Program is a renewed member of
838 that program; specifying requirements and limitations;
839 requiring the employer and the retiree to make
840 applicable contributions; prohibiting the purchase of
841 past service in the program during certain dates;
842 amending s. 121.4501, F.S.; requiring certain

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COMMITTEE/SUBCOMMITTEE AMENDMENT

PCB Name: PCB SAC 14-06 (2014)

Amendment No.

843 employees initially enrolled in the Florida Retirement
844 System on or after a specified date to be compulsory
845 members of the investment plan; revising the
846 definition of "member" or "employee"; revising a
847 provision relating to acknowledgement of an employee's
848 election to participate in the investment plan;
849 enrolling certain employees in the pension plan from
850 their date of hire until they are automatically
851 enrolled in the investment plan or timely elect
852 enrollment in the pension plan; providing certain
853 members with a specified time to choose participation
854 in the pension plan or the investment plan; specifying
855 that a retiree who has returned to covered employment
856 before a specified date may continue membership in his
857 or her selected retirement plan; conforming a
858 provision to changes made by the act; providing for
859 the
860

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