

26 state interest; providing an effective date.

27

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

29

30 Section 1. Paragraph (c) of subsection (7) of section
 31 121.053, Florida Statutes, is amended, paragraph (d) is added to
 32 that subsection, and paragraph (b) of that subsection is
 33 republished to read:

34 121.053 Participation in the Elected Officers' Class for
 35 retired members.—

36 (7) A member who is elected or appointed to an elective
 37 office and who is participating in the Deferred Retirement
 38 Option Program is not subject to termination as defined in s.
 39 121.021, or reemployment limitations as provided in s.
 40 121.091(9), until the end of his or her current term of office
 41 or, if the officer is consecutively elected or reelected to an
 42 elective office eligible for coverage under the Florida
 43 Retirement System, until he or she no longer holds an elective
 44 office, as follows:

45 (b) An elected officer may voluntarily terminate his or
 46 her elective office at any time and receive his or her DROP
 47 proceeds. However, until termination occurs, an elected officer
 48 whose termination limitations are extended by this section is
 49 ineligible for renewed membership in the system and may not
 50 receive pension payments, DROP lump sum payments, or any other

51 state payment other than the statutorily determined salary,
52 travel, and per diem for the elective office.

53 (c) Except as provided in paragraph (d), upon termination,
54 the officer shall receive his or her accumulated DROP account,
55 plus interest, and shall accrue and commence receiving monthly
56 retirement benefits, which must be paid on a prospective basis
57 only.

58 (d) Notwithstanding paragraph (b), an elected officer who
59 qualifies under this subsection as of June 30, 2023, and who has
60 completed his or her DROP participation period as of June 30,
61 2023, may remain in elective office and receive his or her
62 accumulated DROP proceeds, including interest.

63 Section 2. Paragraphs (d) and (e) of subsection (9) of
64 section 121.091, Florida Statutes, are redesignated as
65 paragraphs (e) and (f), respectively, paragraph (c) and present
66 paragraph (f) are amended, and a new paragraph (d) is added to
67 that subsection, to read:

68 121.091 Benefits payable under the system.—Benefits may
69 not be paid under this section unless the member has terminated
70 employment as provided in s. 121.021(39) (a) or begun
71 participation in the Deferred Retirement Option Program as
72 provided in subsection (13), and a proper application has been
73 filed in the manner prescribed by the department. The department
74 may cancel an application for retirement benefits when the
75 member or beneficiary fails to timely provide the information

76 and documents required by this chapter and the department's
 77 rules. The department shall adopt rules establishing procedures
 78 for application for retirement benefits and for the cancellation
 79 of such application when the required information or documents
 80 are not received.

81 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

82 (c) Any person whose retirement is effective on or after
 83 July 1, 2010, or whose participation in the Deferred Retirement
 84 Option Program terminates on or after July 1, 2010, who is
 85 retired under this chapter, except under the disability
 86 retirement provisions of subsection (4) or as provided in s.
 87 121.053, may be reemployed by an employer that participates in a
 88 state-administered retirement system and receive retirement
 89 benefits and compensation from that employer. However, a person
 90 may not be reemployed by an employer participating in the
 91 Florida Retirement System before meeting the definition of
 92 termination in s. 121.021 and may not receive both a salary from
 93 the employer and retirement benefits for 6 calendar months after
 94 meeting the definition of termination, except as provided in
 95 paragraph (d) ~~(f)~~. However, a DROP participant shall continue
 96 employment and receive a salary during the period of
 97 participation in the Deferred Retirement Option Program, as
 98 provided in subsection (13).

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

101 2. The employer shall pay retirement contributions in an
 102 amount equal to the unfunded actuarial liability portion of the
 103 employer contribution that would be required for active members
 104 of the Florida Retirement System in addition to the
 105 contributions required by s. 121.76.

106 3. A retiree initially reemployed in violation of this
 107 paragraph and an employer that employs or appoints such person
 108 are jointly and severally liable for reimbursement of any
 109 retirement benefits paid to the retirement trust fund from which
 110 the benefits were paid, including the Florida Retirement System
 111 Trust Fund and the Florida Retirement System Investment Plan
 112 Trust Fund, as appropriate. The employer must have a written
 113 statement from the employee that he or she is not retired from a
 114 state-administered retirement system. Retirement benefits shall
 115 remain suspended until repayment is made. Benefits suspended
 116 beyond the end of the retiree's 6-month reemployment limitation
 117 period shall apply toward the repayment of benefits received in
 118 violation of this paragraph.

119 (d) Any person whose retirement is effective on or after
 120 July 1, 2024, or whose participation in the Deferred Retirement
 121 Option Program terminates on or after July 1, 2024, who is
 122 retired under this chapter, except under the disability
 123 provisions of subsection (4) or as provided in s. 121.053, may
 124 be reemployed by an employer that participates in a state-
 125 administered retirement system and receive retirement benefits

126 and compensation from that employer. However, a person may not
127 be reemployed by an employer participating in the Florida
128 Retirement System before meeting the definition of termination
129 in s. 121.021. A DROP participant shall continue employment and
130 receive a salary during the period of participation in the
131 Deferred Retirement Option Program, as provided in subsection
132 (13).

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

135 2. The employer shall pay retirement contributions in an
136 amount equal to the unfunded actuarial liability portion of the
137 employer contribution that would be required for active members
138 of the Florida Retirement System in addition to the
139 contributions required by s. 121.76.

140 3. A retiree initially reemployed in violation of this
141 paragraph and an employer that employs or appoints such person
142 are jointly and severally liable for reimbursement of any
143 retirement benefits paid to the retirement trust fund from which
144 the benefits were paid, including the Florida Retirement System
145 Trust Fund and the Florida Retirement System Investment Plan
146 Trust Fund, as appropriate. The employer must have a written
147 statement from the employee that he or she is not retired from a
148 state-administered retirement system. Retirement benefits shall
149 remain suspended until repayment is made. Benefits suspended
150 beyond the end of the retiree's 6-month reemployment limitation

151 period shall apply toward the repayment of benefits received in
 152 violation of this paragraph.

153 ~~(f) A retired law enforcement officer may be reemployed as~~
 154 ~~a school resource officer by an employer that participates in~~
 155 ~~the Florida Retirement System and receive compensation from that~~
 156 ~~employer and retirement benefits after meeting the definition of~~
 157 ~~termination in s. 121.021, but may not receive both a salary~~
 158 ~~from the employer and retirement benefits for 6 calendar months~~
 159 ~~immediately subsequent to the date of retirement. The reemployed~~
 160 ~~retired law enforcement officer may not renew membership in the~~
 161 ~~Florida Retirement System, except as provided in s. 121.122.~~

162 Section 3. Subsection (5) is added to section 121.1001,
 163 Florida Statutes, to read:

164 121.1001 Florida Retirement System Preservation of
 165 Benefits Plan.—Effective July 1, 1999, the Florida Retirement
 166 System Preservation of Benefits Plan is established as a
 167 qualified governmental excess benefit arrangement pursuant to s.
 168 415(m) of the Internal Revenue Code. The Preservation of
 169 Benefits Plan is created as a separate portion of the Florida
 170 Retirement System, for the purpose of providing benefits to a
 171 payee (retiree or beneficiary) of the Florida Retirement System
 172 whose benefits would otherwise be limited by s. 415(b) of the
 173 Internal Revenue Code.

174 (5) CLOSURE TO NEW MEMBERS.—Effective July 1, 2026, the
 175 Florida Retirement System Preservation of Benefits Plan is

176 closed to new members.

177 Section 4. Paragraph (c) of subsection (4) and subsection
178 (5) of section 121.101, Florida Statutes, are amended to read:

179 121.101 Cost-of-living adjustment of benefits.—

180 (4) For members whose effective retirement date is on or
181 after July 1, 2011, the benefit of each retiree and annuitant
182 shall be adjusted annually on July 1 as follows:

183 (c) Beginning July 1, 2024, the department shall calculate
184 a cost-of-living factor for each retiree and beneficiary
185 retiring on or after July 1, 2011. This factor shall:

186 1. For a member initially enrolled before July 1, 2011,
187 equal 3 percent for the first \$150,000 of benefit payable
188 annually, and for any additional benefit payable shall equal the
189 product of 3 percent multiplied by the quotient of the sum of
190 the member's service credit earned for service before July 1,
191 2011, divided by the sum of the member's total service credit
192 earned. The \$150,000 amount shall be adjusted annually by the
193 department to reflect changes in the Consumer Price Index
194 compiled by the United States Department of Labor. Any benefits
195 paid in accordance with this subparagraph shall only be made
196 prospectively.

197 2. For a member initially enrolled on or after July 1,
198 2011, equal the product of 3 percent multiplied by the quotient
199 of the sum of the member's service credit earned for service
200 before July 1, 2011, divided by the sum of the member's total

201 service credit earned.

202 (5) Beginning July 1, 2033, and annually thereafter, the
 203 division shall submit an actuarial analysis to the Legislature
 204 on the feasibility and cost of providing a cost-of-living
 205 adjustment for employees that initially enrolled in the Florida
 206 Retirement System after July 1, 2011 ~~Subject to the availability~~
 207 ~~of funding and the Legislature enacting sufficient employer~~
 208 ~~contributions specifically for the purpose of funding the~~
 209 ~~expiration of the cost-of-living adjustment specified in~~
 210 ~~subsection (4), in accordance with s. 14, Art. X of the State~~
 211 ~~Constitution, the cost-of-living adjustment formula provided for~~
 212 ~~in subsection (4) shall expire effective June 30, 2016, and the~~
 213 ~~benefit of each retiree and annuitant shall be adjusted on each~~
 214 ~~July 1 thereafter, as provided in subsection (3).~~

215 Section 5. Subsections (3), (4), and (5) of section
 216 121.71, Florida Statutes, are amended to read:

217 121.71 Uniform rates; process; calculations; levy.—

218 (3) Required employee retirement contribution rates for
 219 each membership class and subclass of the Florida Retirement
 220 System for both retirement plans are as follows:
 221

	Percentage of
	Gross
	Compensation,
Membership Class	Effective

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July 1, 2024 ~~2011~~

222
223
224
225
226
227
228
229

Regular Class	<u>4.00%</u> 3.00%
Special Risk Class	<u>5.00%</u> 3.00%
Special Risk Administrative Support Class	<u>4.00%</u> 3.00%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>6.00%</u> 3.00%
Elected Officers' Class— Justices, Judges	<u>6.00%</u> 3.00%
Elected Officers' Class— County Elected Officers	<u>6.00%</u> 3.00%

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230	Senior Management Service Class	<u>4.00%</u> 3.00%
231	DROP	0.00%
232	(4) Required employer retirement contribution rates for	
233	each membership class and subclass of the Florida Retirement	
234	System for both retirement plans are as follows:	
235		
		Percentage of Gross Compensation, Effective
236	Membership Class	July 1, <u>2024</u> 2023
237		
238	Regular Class	<u>7.91%</u> 6.73%
239	Special Risk Class	<u>21.02%</u> 18.66%
240	Special Risk Administrative Support Class	<u>13.37%</u> 11.54%
	Elected Officers' Class-	<u>12.28%</u> 10.45%

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241	Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	
242	Elected Officers' Class— Justices, Judges	<u>17.06%</u> 14.90%
243	Elected Officers' Class— County Elected Officers	<u>13.89%</u> 12.39%
244	Senior Management Service Class	<u>9.88%</u> 8.56%
245	DROP	<u>10.12%</u> 8.49%

246 (5) In order to address unfunded actuarial liabilities of
 247 the system, the required employer retirement contribution rates
 248 for each membership class and subclass of the Florida Retirement
 249 System for both retirement plans are as follows:

250	Percentage of Gross Compensation, Effective
Membership Class	

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	July 1, <u>2024</u>	2023
251		
252		
253	Regular Class	<u>7.55%</u> 4.78%
254	Special Risk Class	<u>17.76%</u> 11.95%
255	Special Risk Administrative Support Class	<u>32.39%</u> 26.22%
256	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>53.84%</u> 50.21%
257	Elected Officers' Class— Justices, Judges	<u>33.74%</u> 27.93%
258	Elected Officers' Class— County Elected Officers	<u>48.84%</u> 44.23%

Senior Management Service Class 26.96% ~~23.90%~~

259

DROP 16.57% ~~10.64%~~

260

261 Section 6. Subsection (7) of section 121.72, Florida
 262 Statutes, is amended, and subsection (8) is added to that
 263 section, to read:

264 121.72 Allocations to investment plan member accounts;
 265 percentage amounts.—

266 (7) Effective July 1, 2023, through June 30, 2024,
 267 allocations from the Florida Retirement System Contributions
 268 Clearing Trust Fund to investment plan member accounts are as
 269 follows:

270

Membership Class	Percentage of Gross Compensation
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271

272

Regular Class	11.30%
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273

Special Risk Class	19.00%
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274

Special Risk Administrative Support Class	12.95%
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275	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	14.38%
276	Elected Officers' Class— Justices, Judges	18.23%
277	Elected Officers' Class— County Elected Officers	16.34%
278	Senior Management Service Class	12.67%
279		
280	<u>(8) Effective July 1, 2024, allocations from the Florida</u>	
281	<u>Retirement System Contributions Clearing Trust Fund to</u>	
282	<u>investment plan member accounts are as follows:</u>	
283		
284	<u>Membership Class</u>	<u>Percentage of</u> <u>Gross</u> <u>Compensation</u>
285	<u>Regular Class</u>	<u>13.30%</u>

286	<u>Special Risk Class</u>	<u>22.00%</u>
287		
	<u>Special Risk Administrative Support Class</u>	<u>14.95%</u>
288		
	<u>Elected Officers' Class—</u>	
	<u>Legislators, Governor,</u>	
	<u>Lt. Governor, Cabinet Officers,</u>	
	<u>State Attorneys, Public Defenders</u>	<u>18.38%</u>
289		
	<u>Elected Officers' Class—</u>	
	<u>Justices, Judges</u>	<u>22.23%</u>
290		
	<u>Elected Officers' Class—</u>	
	<u>County Elected Officers</u>	<u>20.34%</u>
291		
	<u>Senior Management Service Class</u>	<u>14.67%</u>

292

293 Section 7. Paragraph (a) of subsection (1) of section

294 121.591, Florida Statutes, is amended to read:

295 121.591 Payment of benefits.—Benefits may not be paid

296 under the Florida Retirement System Investment Plan unless the

297 member has terminated employment as provided in s.

298 121.021(39)(a) or is deceased and a proper application has been

299 filed as prescribed by the state board or the department.

300 Benefits, including employee contributions, are not payable
 301 under the investment plan for employee hardships, unforeseeable
 302 emergencies, loans, medical expenses, educational expenses,
 303 purchase of a principal residence, payments necessary to prevent
 304 eviction or foreclosure on an employee's principal residence, or
 305 any other reason except a requested distribution for retirement,
 306 a mandatory de minimis distribution authorized by the
 307 administrator, or a required minimum distribution provided
 308 pursuant to the Internal Revenue Code. The state board or
 309 department, as appropriate, may cancel an application for
 310 retirement benefits if the member or beneficiary fails to timely
 311 provide the information and documents required by this chapter
 312 and the rules of the state board and department. In accordance
 313 with their respective responsibilities, the state board and the
 314 department shall adopt rules establishing procedures for
 315 application for retirement benefits and for the cancellation of
 316 such application if the required information or documents are
 317 not received. The state board and the department, as
 318 appropriate, are authorized to cash out a de minimis account of
 319 a member who has been terminated from Florida Retirement System
 320 covered employment for a minimum of 6 calendar months. A de
 321 minimis account is an account containing employer and employee
 322 contributions and accumulated earnings of not more than \$5,000
 323 made under the provisions of this chapter. Such cash-out must be
 324 a complete lump-sum liquidation of the account balance, subject

325 to the provisions of the Internal Revenue Code, or a lump-sum
326 direct rollover distribution paid directly to the custodian of
327 an eligible retirement plan, as defined by the Internal Revenue
328 Code, on behalf of the member. Any nonvested accumulations and
329 associated service credit, including amounts transferred to the
330 suspense account of the Florida Retirement System Investment
331 Plan Trust Fund authorized under s. 121.4501(6), shall be
332 forfeited upon payment of any vested benefit to a member or
333 beneficiary, except for de minimis distributions or minimum
334 required distributions as provided under this section. If any
335 financial instrument issued for the payment of retirement
336 benefits under this section is not presented for payment within
337 180 days after the last day of the month in which it was
338 originally issued, the third-party administrator or other duly
339 authorized agent of the state board shall cancel the instrument
340 and credit the amount of the instrument to the suspense account
341 of the Florida Retirement System Investment Plan Trust Fund
342 authorized under s. 121.4501(6). Any amounts transferred to the
343 suspense account are payable upon a proper application, not to
344 include earnings thereon, as provided in this section, within 10
345 years after the last day of the month in which the instrument
346 was originally issued, after which time such amounts and any
347 earnings attributable to employer contributions shall be
348 forfeited. Any forfeited amounts are assets of the trust fund
349 and are not subject to chapter 717.

350 (1) NORMAL BENEFITS.—Under the investment plan:
 351 (a) Benefits in the form of vested accumulations as
 352 described in s. 121.4501(6) are payable under this subsection in
 353 accordance with the following terms and conditions:
 354 1. Benefits are payable only to a member, an alternate
 355 payee of a qualified domestic relations order, or a beneficiary.
 356 2. Benefits shall be paid by the third-party administrator
 357 or designated approved providers in accordance with the law, the
 358 contracts, and any applicable board rule or policy.
 359 3. The member must be terminated from all employment with
 360 all Florida Retirement System employers, as provided in s.
 361 121.021(39).
 362 4. Benefit payments may not be made until the member has
 363 been terminated for 3 calendar months, except that the state
 364 board may authorize by rule for the distribution of up to 10
 365 percent of the member's account after being terminated for 1
 366 calendar month if the member has reached the normal retirement
 367 date as defined in s. 121.021.
 368 5. If a member or former member of the Florida Retirement
 369 System receives an invalid distribution, such person must either
 370 repay the full amount within 90 days after receipt of final
 371 notification by the state board or the third-party administrator
 372 that the distribution was invalid, or, in lieu of repayment, the
 373 member must terminate employment from all participating
 374 employers. If such person fails to repay the full invalid

375 distribution within 90 days after receipt of final notification,
 376 the person may be deemed retired from the investment plan by the
 377 state board and is subject to s. 121.122. If such person is
 378 deemed retired, any joint and several liability set out in s.
 379 121.091(9)(e)2. ~~s. 121.091(9)(d)2.~~ is void, and the state board,
 380 the department, or the employing agency is not liable for gains
 381 on payroll contributions that have not been deposited to the
 382 person's account in the investment plan, pending resolution of
 383 the invalid distribution. The member or former member who has
 384 been deemed retired or who has been determined by the state
 385 board to have taken an invalid distribution may appeal the
 386 agency decision through the complaint process as provided under
 387 s. 121.4501(9)(g)3. As used in this subparagraph, the term
 388 "invalid distribution" means any distribution from an account in
 389 the investment plan which is taken in violation of this section,
 390 s. 121.091(9), or s. 121.4501.

391 Section 8. The Legislature finds that a proper and
 392 legitimate state purpose is served when employees and retirees
 393 of the state and its political subdivisions, and the dependents,
 394 survivors, and beneficiaries of such employees and retirees, are
 395 extended the basic protections afforded by governmental
 396 retirement systems that provide fair and adequate benefits and
 397 that are managed, administered, and funded in an actuarially
 398 sound manner as required by s. 14, Art. X of the State
 399 Constitution and part VII of chapter 112, Florida Statutes.

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400 | Therefore, the Legislature determines and declares that this act
401 | fulfills an important state interest.

402 | Section 9. This act shall take effect July 1, 2024.