

1 A bill to be entitled
2 An act relating to the Florida Retirement System;
3 amending s. 121.053, F.S.; authorizing renewed
4 membership in the retirement system for retirees who
5 are reemployed in a position eligible for the Elected
6 Officers' Class under certain circumstances; amending
7 s. 121.055, F.S.; providing for renewed membership in
8 the retirement system for retirees of the Senior
9 Management Service Optional Annuity Program who are
10 employed on or after a specified date; amending s.
11 121.122, F.S.; requiring that certain retirees who are
12 employed on or after a specified date be renewed
13 members in the investment plan; providing exceptions;
14 specifying that creditable service does not accrue for
15 a reemployed retiree during a specified period;
16 prohibiting certain funds from being paid into a
17 renewed member's investment plan account for a
18 specified period of employment; requiring the renewed
19 member to satisfy vesting requirements; making a
20 renewed member ineligible to receive disability
21 benefits; specifying limitations and requirements;
22 requiring the employer and the retiree to make
23 applicable contributions to the renewed member's
24 investment plan account; prohibiting the purchase of
25 past service in the investment plan; authorizing a
26 renewed member to receive additional credit towards

27 | the health insurance subsidy under certain
28 | circumstances; providing that a retiree employed on or
29 | after a specified date in a regularly established
30 | position eligible for the State University System
31 | Optional Retirement Program or State Community College
32 | System Optional Retirement Program is a renewed member
33 | of that program; specifying limitations and
34 | requirements; requiring the employer and the retiree
35 | to make applicable contributions; prohibiting the
36 | purchase of past service in the program; providing for
37 | renewed membership in the optional retirement program
38 | for certain retirees initially reemployed on or after
39 | a specified date; making the renewed member ineligible
40 | to receive disability benefits; specifying limitations
41 | and requirements; requiring the employer and the
42 | retiree to make applicable contributions; authorizing
43 | a renewed member to receive additional credit towards
44 | the health insurance subsidy under certain
45 | circumstances; amending s. 121.4501, F.S.; revising
46 | the definition of the term "eligible employee";
47 | conforming a provision to changes made by the act;
48 | providing for employer contribution rate increases to
49 | fund changes made by the act; providing a directive to
50 | the Division of Law Revision and Information;
51 | declaring that the act fulfills an important state
52 | interest; providing an effective date.

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

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

HB 1249

2015

79 established a separate class of membership within the Florida
80 Retirement System to be known as the "Senior Management Service
81 Class," which shall become effective February 1, 1987.

82 (1)

83 (f) Effective July 1, 1997:

84 1. Except as provided in subparagraph 3., an elected state
85 officer eligible for membership in the Elected Officers' Class
86 under s. 121.052(2)(a), (b), or (c) who elects membership in the
87 Senior Management Service Class under s. 121.052(3)(c) may,
88 within 6 months after assuming office or within 6 months after
89 this act becomes a law for serving elected state officers, elect
90 to participate in the Senior Management Service Optional Annuity
91 Program, as provided in subsection (6), in lieu of membership in
92 the Senior Management Service Class.

93 2. Except as provided in subparagraph 3., an elected
94 officer of a local agency employer eligible for membership in
95 the Elected Officers' Class under s. 121.052(2)(d) who elects
96 membership in the Senior Management Service Class under s.
97 121.052(3)(c) may, within 6 months after assuming office, or
98 within 6 months after this act becomes a law for serving elected
99 officers of a local agency employer, elect to withdraw from the
100 Florida Retirement System, as provided in subparagraph (b)2., in
101 lieu of membership in the Senior Management Service Class.

102 3. A retiree of a state-administered retirement system who
103 is initially reemployed in a regularly established position on
104 ~~or after~~ July 1, 2010, through June 30, 2016, as an elected

105 official eligible for the Elected Officers' Class may not be
106 enrolled in renewed membership in the Senior Management Service
107 Class or in the Senior Management Service Optional Annuity
108 Program as provided in subsection (6), and may not withdraw from
109 the Florida Retirement System as a renewed member as provided in
110 subparagraph (b)2., as applicable, in lieu of membership in the
111 Senior Management Service Class. Effective July 1, 2016, a
112 retiree of the Senior Management Service Optional Annuity
113 Program who reenters covered employment shall be enrolled as a
114 renewed member as provided in s. 121.122.

115 (6)

116 (c) *Participation.*—

117 1. An eligible employee who is employed on or before
118 February 1, 1987, may elect to participate in the optional
119 annuity program in lieu of participating in the Senior
120 Management Service Class. Such election shall ~~must~~ be made in
121 writing and filed with the department and the personnel officer
122 of the employer on or before May 1, 1987. An eligible employee
123 who is employed on or before February 1, 1987, and who fails to
124 make an election to participate in the optional annuity program
125 by May 1, 1987, is ~~shall be~~ deemed to have elected membership in
126 the Senior Management Service Class.

127 2. Except as provided in subparagraph 6., an employee who
128 becomes eligible to participate in the optional annuity program
129 by reason of initial employment commencing after February 1,
130 1987, may, within 90 days after the date of commencing

131 employment, elect to participate in the optional annuity
132 program. Such election shall ~~must~~ be made in writing and filed
133 with the personnel officer of the employer. An eligible employee
134 who does not within 90 days after commencing employment elect to
135 participate in the optional annuity program is ~~shall be~~ deemed
136 to have elected membership in the Senior Management Service
137 Class.

138 3. A person who is appointed to a position in the Senior
139 Management Service Class and who is a member of an existing
140 retirement system or the Special Risk or Special Risk
141 Administrative Support Classes of the Florida Retirement System
142 may elect to remain in such system or class in lieu of
143 participating in the Senior Management Service Class or optional
144 annuity program. Such election shall ~~must~~ be made in writing and
145 filed with the department and the personnel officer of the
146 employer within 90 days after such appointment. An eligible
147 employee who fails to make an election to participate in the
148 existing system, the Special Risk Class of the Florida
149 Retirement System, the Special Risk Administrative Support Class
150 of the Florida Retirement System, or the optional annuity
151 program is ~~shall be~~ deemed to have elected membership in the
152 Senior Management Service Class.

153 4. Except as provided in subparagraph 5., an employee's
154 election to participate in the optional annuity program is
155 irrevocable if the employee continues to be employed in an
156 eligible position and continues to meet the eligibility

157 requirements set forth in this paragraph.

158 5. Effective from July 1, 2002, through September 30,
159 2002, an active employee in a regularly established position who
160 has elected to participate in the Senior Management Service
161 Optional Annuity Program has one opportunity to choose to move
162 from the Senior Management Service Optional Annuity Program to
163 the Florida Retirement System Pension Plan.

164 a. The election shall ~~must~~ be made in writing and ~~must be~~
165 filed with the department and the personnel officer of the
166 employer before October 1, 2002, or, in the case of an active
167 employee who is on a leave of absence on July 1, 2002, within 90
168 days after the conclusion of the leave of absence. This election
169 is irrevocable.

170 b. The employee shall receive service credit under the
171 pension plan equal to his or her years of service under the
172 Senior Management Service Optional Annuity Program. The cost for
173 such credit is the amount representing the present value of that
174 employee's accumulated benefit obligation for the affected
175 period of service.

176 c. The employee shall ~~must~~ transfer the total accumulated
177 employer contributions and earnings on deposit in his or her
178 Senior Management Service Optional Annuity Program account. If
179 the transferred amount is not sufficient to pay the amount due,
180 the employee shall ~~must~~ pay a sum representing the remainder of
181 the amount due. The employee may not retain any employer
182 contributions or earnings from the Senior Management Service

183 Optional Annuity Program account.

184 6. A retiree of a state-administered retirement system who
 185 is initially reemployed on or after July 1, 2010, through June
 186 30, 2016, may not renew membership in the Senior Management
 187 Service Optional Annuity Program. Effective July 1, 2016, a
 188 retiree of the Senior Management Service Optional Annuity
 189 Program who reenters covered employment shall be enrolled as a
 190 renewed member as provided in s. 121.122.

191 Section 3. Subsection (2) of section 121.122, Florida
 192 Statutes, is amended, and subsections (3) through (6) are added
 193 to that section, to read:

194 121.122 Renewed membership in system.—

195 (2) A retiree of a state-administered retirement system
 196 who is initially reemployed in a regularly established position
 197 on or after July 1, 2010, through June 30, 2016, may not be
 198 enrolled as a renewed member.

199 (3) A retiree of a state-administered retirement system
 200 specified in subsection (2) who is employed on or after July 1,
 201 2016, in a regularly established position shall be a renewed
 202 member of the investment plan, regardless of the position held,
 203 unless employed in a position eligible for participation in the
 204 State University System Optional Retirement Program or the State
 205 Community College System Optional Retirement Program as provided
 206 in subsections (4) and (5), respectively. A renewed member must
 207 satisfy the vesting requirements and other provisions of this
 208 chapter.

209 (a) Creditable service, including credit toward the
210 retiree health insurance subsidy provided in s. 112.363, does
211 not accrue for a retiree's employment in a regularly established
212 position with a covered employer during the period from July 1,
213 2010, through June 30, 2016.

214 (b) Employer and employee contributions, interest,
215 earnings, or any other funds may not be paid into a renewed
216 member's investment plan account for any employment in a
217 regularly established position with a covered employer from July
218 1, 2010, through June 30, 2016, by the renewed member or the
219 employer on behalf of the member.

220 (c) To be eligible to receive a retirement benefit, the
221 renewed member must satisfy the vesting requirements in s.
222 121.4501(6).

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

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

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

229 (g) Upon the renewed membership or reemployment of a
230 retiree, the employer and the retiree shall pay the applicable
231 employer and employee contributions required under ss. 112.363,
232 121.71, 121.74, and 121.76. The contributions are payable only
233 for employment and salary earned in a regularly established
234 position with a covered employer on or after July 1, 2016.

235 (h) The member may not purchase any past service in the
236 investment plan, including employment in a regularly established
237 position with a covered employer from July 1, 2010, through June
238 30, 2016.

239 (i) A renewed member who is a retiree of the investment
240 plan and who is not receiving the maximum health insurance
241 subsidy provided in s. 112.363 is entitled to earn additional
242 credit toward the subsidy. Such credit may be earned only for
243 employment in a regularly established position with a covered
244 employer on or after July 1, 2016. Any additional subsidy due
245 because of additional credit may be received only at the time of
246 paying the second career retirement benefit. The total health
247 insurance subsidy received by a retiree receiving benefits from
248 initial and renewed membership may not exceed the maximum
249 allowed under s. 112.363.

250 (4) A retiree of a state-administered retirement system
251 specified in subsection (2) who is employed on or after July 1,
252 2016, in a regularly established position eligible for
253 participation in the State University System Optional Retirement
254 Program shall become a renewed member of the optional retirement
255 program. The renewed member must satisfy the vesting
256 requirements and other provisions of this chapter. Once
257 enrolled, a renewed member remains enrolled in the optional
258 retirement program while employed in an eligible position for
259 the optional retirement program. If employment in a different
260 covered position results in the retiree's enrollment in the

261 investment plan, the retiree is no longer eligible to
262 participate in the optional retirement program unless employed
263 in a mandatory position under s. 121.35.

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

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

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

271 (d) The member, or the employer on behalf of the member,
272 may not purchase any past service in the optional retirement
273 program or employment from July 1, 2010, to June 30, 2016, when
274 renewed membership is not available.

275 (5) A retiree of a state-administered retirement system
276 specified in subsection (2) who is employed on or after July 1,
277 2016, in a regularly established position eligible for
278 participation in the State Community College System Optional
279 Retirement Program as provided in s. 121.051(2)(c)4., shall
280 become a renewed member of the optional retirement program. The
281 renewed member must satisfy the eligibility requirements of this
282 chapter and s. 1012.875 for the optional retirement program.
283 Once enrolled, a renewed member remains enrolled in the optional
284 retirement program while employed in an eligible position for
285 the optional retirement program. If employment in a different
286 covered position results in the retiree's enrollment in the

287 investment plan, the retiree is no longer eligible to
288 participate in the optional retirement program.

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

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

293 (c) Upon renewed membership or reemployment of a retiree,
294 the employer and the retiree shall pay the applicable employer
295 and employee contributions required under ss. 121.051(2)(c) and
296 1012.875.

297 (d) The member, or the employer on behalf of the member,
298 may not purchase any past service in the optional retirement
299 program or employment accrued from July 1, 2010, to June 30,
300 2016.

301 (6) A retiree of a state-administered retirement system
302 who is initially reemployed in a regularly established position
303 on or after July 1, 2016, shall be enrolled in the investment
304 plan unless eligible for participation in the State University
305 System Optional Retirement Program as provided in s. 121.35 or
306 in the State Community College System Optional Retirement
307 Program as provided in ss. 121.051(2)(c) and 1012.875. A renewed
308 member must satisfy the vesting requirements and other
309 provisions provided in this chapter.

310 (a) The member is not entitled to disability benefits as
311 provided in s. 121.091(4) or s. 121.591(2).

312 (b) The member is subject to the reemployment after

313 retirement limitations as provided in s. 121.091(9), as
314 applicable.

315 (c) The member must meet the termination from employment
316 provisions as provided in s. 121.021(39).

317 (d) Upon the renewed membership of a reemployed retiree,
318 the employer and the retiree shall pay the applicable employer
319 and employee contributions as required by ss. 112.363, 121.71,
320 121.74, and 121.76. The contributions are payable only for
321 employment and compensation earned in a regularly established
322 position with a covered employer on or after July 1, 2016.

323 (e) A renewed member who is a retiree of the investment
324 plan or pension plan and is not receiving the maximum health
325 insurance policy provided in s. 112.363 is entitled to earn
326 additional credit toward the subsidy. Such credit may be earned
327 only for employment in a regularly established position with a
328 covered employer on or after July 1, 2016. Any additional
329 subsidy due because of additional credit may be received only at
330 the time of paying the second career retirement benefit. The
331 total health insurance subsidy received by a retiree receiving
332 benefits from initial and renewed membership may not exceed the
333 maximum allowable under s. 112.363.

334 Section 4. Paragraph (e) of subsection (2) and paragraph
335 (f) of subsection (4) of section 121.4501, Florida Statutes, are
336 amended to read:

337 121.4501 Florida Retirement System Investment Plan.—

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

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

341 1. Is a member of, or is eligible for membership in, the
 342 Florida Retirement System, including any renewed member of the
 343 Florida Retirement System initially enrolled before July 1,
 344 2010; ~~or~~

345 2. Participates in, or is eligible to participate in, the
 346 Senior Management Service Optional Annuity Program as
 347 established under s. 121.055(6), the State Community College
 348 System Optional Retirement Program as established under s.
 349 121.051(2)(c), or the State University System Optional
 350 Retirement Program established under s. 121.35; or

351 3. Is a retiree of a state-administered retirement system
 352 employed in a regularly established position on or after July 1,
 353 2016, enrolled as a renewed member as provided under s. 121.122.

354
 355 The term does not include any member participating in the
 356 Deferred Retirement Option Program established under s.
 357 121.091(13), a retiree of a state-administered retirement system
 358 initially reemployed in a regularly established position on or
 359 after July 1, 2010, through June 30, 2016, or a mandatory
 360 participant of the State University System Optional Retirement
 361 Program established under s. 121.35.

362 (4) PARTICIPATION; ENROLLMENT.—

363 (f) 1. A member of the investment plan who takes a
 364 distribution of any contributions from his or her investment

365 plan account is considered a retiree. A retiree who is initially
366 reemployed in a regularly established position on or after July
367 1, 2010, and before June 30, 2016, is not eligible for ~~to be~~
368 ~~enrolled in~~ renewed membership, except as provided in s.
369 121.122.

370 2. A retiree who is initially reemployed on or after July
371 1, 2016, shall be a renewed member as provided in s. 121.122.

372 Section 5. (1) In order to fund the benefit changes
373 provided for in this act, the required employer contribution
374 rates of the Florida Retirement System established in 121.71(4),
375 Florida Statutes, shall be adjusted effective July 1, 2016 as
376 follows:

377 (a) The Regular Class is increased by X.XX percentage
378 points.

379 (b) The Special Risk Class is increased by X.XX percentage
380 points.

381 (c) The Special Risk Administrative Support Class is
382 increased by X.XX percentage points.

383 (d) The Elected Officers' Class—Legislators, Governor, Lt.
384 Governor, Cabinet Officers, State Attorneys, Public Defenders is
385 increased by X.XX percentage points.

386 (e) The Elected Officers' Class—Justices, Judges is
387 increased by X.XX percentage points.

388 (f) The Elected Officer's Class—County Elected Officers is
389 increased by X.XX percentage points.

390 (g) The Senior Management Service Class is increased by

391 X.XX percentage points.

392 (h) The DROP class is increased by X.XX percentage points.

393 (2) The adjustments provided in subsection (1) shall be
 394 made in addition to other changes to such contribution rates
 395 which may be enacted into law to take effect on July 1, 2015,
 396 and July 1, 2016. The Division of Law Revision and Information
 397 is requested to adjust accordingly the contribution rates
 398 provided in s. 121.71, Florida Statutes.

399 Section 6. The Legislature finds that a proper and
 400 legitimate state purpose is served when employees and retirees
 401 of the state and its political subdivisions, and the dependents,
 402 survivors, and beneficiaries of such employees and retirees, are
 403 extended the basic protections afforded by governmental
 404 retirement systems. These persons must be provided benefits that
 405 are fair and adequate and that are managed, administered, and
 406 funded in an actuarially sound manner, as required by s. 14,
 407 Article X of the State Constitution and part VII of chapter 112,
 408 Florida Statutes. Therefore, the Legislature determines and
 409 declares that this act fulfills an important state interest.

410 Section 7. This act shall take effect July 1, 2015.