

Committee Substitute for Senate Bill No. 2280

An act relating to the Department of Management Services; amending s. 20.22, F.S.; transferring functions of the Divisions of State Group Insurance and Retirement to the department; abolishing the Florida State Group Insurance Council; repealing s. 20.37(3), F.S., which provides for the location of the headquarters of the Department of Veterans' Affairs; amending s. 110.1082, F.S.; providing conditions for utilization of a voice mail system; amending s. 110.1238, F.S.; providing for recovery of overcharges by health care providers; amending ss. 110.1227, 110.123, 110.12315, 110.1232, 110.1234, 110.161, 112.05, 112.3173, 112.352, 112.354, 112.356, 112.358, 112.361, 112.362, 112.363, 112.63, 112.64, 112.658, 112.665, 121.021, 121.025, 121.027, 121.031, 121.051, 121.0511, 121.0515, 121.052, 121.055, 121.071, 121.081, 121.091, 121.101, 121.111, 121.133, 121.135, 121.136, 121.1815, 121.1905, 121.192, 121.193, 121.22, 121.23, 121.24, 121.30, 121.35, 121.40, 121.45, 122.02, 122.03, 122.05, 122.06, 122.07, 122.08, 122.10, 122.12, 122.13, 122.15, 122.16, 122.23, 122.30, 122.34, 122.351, 189.412, 215.20, 215.28, 215.50, 238.01, 238.02, 238.03, 238.05, 238.07, 238.08, 238.09, 238.10, 238.11, 238.12, 238.14, 238.15, 238.171, 238.181, 238.32, 240.3195, 250.22, 321.17, 321.19, 321.191, 321.202, 321.203, 321.2205, 413.051, 633.382, 650.02, F.S., to conform to the restructuring of the department by this act; requiring executive departments to report information on boards, commissions, and similar entities to the department, along with recommendations for continuance, abolition, or revision; requiring the department to report that information to the Governor and the Legislature; amending s. 215.94, F.S.; providing cross-referencing changes; providing an effective date.

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

Section 1. Section 20.22, Florida Statutes, is amended to read:

20.22 Department of Management Services.—There is created a Department of Management Services.

(1) The head of the Department of Management Services is the Secretary of Management Services, who shall be appointed by the Governor, subject to confirmation by the Senate, and shall serve at the pleasure of the Governor.

(2) The following divisions and programs within the Department of Management Services are established:

- (a) Facilities Program.
- (b) Information Technology Program.

- (c) Workforce Program.
- (d)1. Support Program.
- 2. Federal Property Assistance Program.
- (e) Administration Program.
- (f) Division of Administrative Hearings.
- (g) Division of Retirement.
- (h) Division of State Group Insurance.

(3) The Information Technology Program shall operate and manage the Technology Resource Center.

(4) The duties of the Office of Labor Relations shall be determined by the Secretary of Management Services, and must include, but need not be limited to, the representation of the Governor as the public employer in collective bargaining negotiations pursuant to the provisions of chapter 447.

~~(5)(a) The Florida State Group Insurance Council is created within the division for the purpose of providing joint and coordinated oversight of the operation and administration of the state group insurance program. The council shall consist of the state budget director; an individual from the private sector with an extensive health administration background, appointed by the Governor; a member of the Florida Senate, appointed by the President of the Senate; a member of the Florida House of Representatives, appointed by the Speaker of the House of Representatives; a representative of the State University System, appointed by the Board of Regents; the State Insurance Commissioner or his designee; the director of the Division of Retirement; and two representatives of employees and retirees, appointed by the Governor. Members of the council appointed by the Governor shall be appointed to serve terms of 4 years each. Each member of the council shall serve until a successor is appointed. Additionally, the director of the Division of State Employee Insurance shall be a nonvoting member of the council.~~

~~(b) Of the two members representing employees, one member must be appointed in such a manner as to represent state employee bargaining units, and one member must be a retired employee. Each member must be a resident of the state.~~

~~(c) The council is assigned to the Division of State Group Insurance for administrative and fiscal accountability purposes, but the council and its staff shall otherwise function independently of the control and direction of the division. The Division of State Group Insurance shall furnish dedicated administrative and secretarial assistance to the council, and other assistance to the council as requested.~~

~~(d) The council shall have the primary functions to:~~

~~1.—Recommend accountability measures and review the implementation of performance-based program budgeting measures under which the Division of State Group Insurance operates.~~

~~2.—Review and recommend procedures and criteria for contract selection before any contract solicitation.~~

~~3.—Review and make recommendations regarding insurance benefit packages.~~

~~4.—Review external audit reports, service organization reports, compliance reviews, or other contractually required management reports relating to third-party administrator activities to determine areas that potentially may require division action.~~

~~5.—Review third-party administrator management reports leading to conclusions regarding report completion, accuracy, validity, and reasonableness.~~

~~6.—Review third-party administrator overpayment and refund collection activities to provide assurances that health plan assets are safeguarded.~~

~~7.—Review use of detailed provider/subscriber surveys designed to detect potential problem areas with the state group insurance program and make recommendations to the director.~~

~~8.—Review reports and make recommendations to safeguard the financial stability of the group insurance program.~~

~~(e) The council or a member thereof may not enter into the day-to-day operation of the division and is specifically prohibited from taking part in:~~

~~1.—The awarding of contracts.~~

~~2.—The selection of a consultant or contractor or the prequalification of any individual consultant or contractor. However, the council may recommend to the director standards and policies governing the procedure for selection and prequalification of consultants and contractors.~~

~~3.—The employment, promotion, demotion, suspension, transfer, or discharge of any division personnel.~~

~~4.—The granting, denial, suspension, or revocation of any license or permit issued by the division.~~

~~(f)1.—The chair and any other officers of the council shall be selected by the council members for a 1-year term but may succeed themselves.~~

~~2.—The council shall hold a minimum of four regular meetings annually, and other meetings may be called by the chair upon giving at least 1 week's notice to all members and the public pursuant to chapter 120. Other meetings may also be held upon the written request of at least four other members of the council, with at least 1 week's notice of such meeting being given to all members and the public by the chair pursuant to chapter 120. Emer-~~

gency meetings may be held without notice upon the request of all members of the council.

3. ~~A majority of the membership of the council constitutes a quorum at any meeting of the council. An action of the council is not considered adopted unless the action is taken pursuant to the affirmative vote of a majority of the members present, but not fewer than four members of the council at a meeting held pursuant to subparagraph 2., and the vote is recorded in the minutes of that meeting.~~

4. ~~The chair shall cause to be made a complete record of the proceedings of the council. The proceedings of the council shall be open to the public, and the records shall be open for public inspection.~~

~~(g) The meetings of the council shall be held in the central office of the department in Tallahassee unless the chair determines that special circumstances warrant meeting at another location.~~

~~(h) Members of the council are entitled to per diem and travel expenses pursuant to s. 112.061.~~

Section 2. Subsection (3) of section 20.37, Florida Statutes, is repealed.

Section 3. Section 110.1082, Florida Statutes, is created to read:

110.1082 Telephone voice mail systems and telephone menu options systems.—

(1) No state employee shall utilize a voice mail system when the employee is at his or her regularly assigned work station where his or her telephone is functional and available for use, unless:

(a) The device is in use, and/or;

(b) Such voice mail system alerts the caller to, and provides the caller with access to a nonelectronic attendant; or

(c) Such voice mail system automatically transfers the caller to a nonelectronic attendant.

(2) Telephone menu options systems used by state agencies, departments, or other state government units, will alert the caller to, and provide the caller with access to a nonelectronic attendant.

(3) Agency heads will ensure compliance with the provisions of this section.

Section 4. Section 110.1238, Florida Statutes, is amended to read:

110.1238 State group health insurance plans; refunds with respect to overcharges by providers.—A participant in a state group health insurance plan who discovers that he or she was overcharged by a health care provider shall receive a refund of 50 percent of any amount recovered as a result of such overcharge, up to a maximum of \$1,000 ~~per admission.~~

Section 5. Section 110.1227, Florida Statutes, 1998 Supplement, is amended to read:

110.1227 Florida Employee Long-Term-Care Plan Act.—

(1) The Legislature finds that state expenditures for long-term-care services continue to increase at a rapid rate and that the state faces increasing pressure in its efforts to meet the long-term-care needs of the public.

(a) It is the intent of the Legislature that the Department of Management Services ~~Division of State Group Insurance~~ and the Department of Elderly Affairs implement a self-funded or fully insured, voluntary, long-term-care plan for public employees and their families and provide an opportunity for public employees and their families to purchase said long-term-care insurance by means of payroll deduction.

(b) The Department of Elderly Affairs and the Department of Management Services ~~Division of State Group Insurance~~ shall jointly design the plan to provide long-term-care coverage for public employees, and family members of public employees and retirees. The Department of Management Services ~~Division of State Group Insurance~~ and the Department of Elderly Affairs shall enter into an interagency agreement defining their roles with regard to plan development and design. Joint planning expenses shall be shared to the extent that funded planning activities are consistent with the goals of the departments ~~department and the division~~. Eligible plan participants must include active and retired officers and employees of all branches and agencies of state and local government and their spouses, children, stepchildren, parents, and parents-in-law; and upon the affirmative vote of the governing body of any county or municipality in this state the active and retired officers and employees of any such county or municipality and their spouses, children, stepchildren, parents and parents-in-law active and retired federal employees residing in the state and their spouses, children, stepchildren, parents, and parents-in-law residing in the state; and the surviving spouses, children, stepchildren, parents, and parents-in-law of such deceased officers and employees, whether active or retired at the time of death.

(c) This act in no way affects the Department of Management Services' ~~Division of State Group Insurance's~~ authority pursuant to s. 110.123.

(d) The Department of Management Services and the Department of Elderly Affairs shall review all self-insured and all fully-insured proposals submitted to it by qualified vendors who have submitted responses prior to February 23, 1999. Upon review of the proposals, the Department of Management Services and the Department of Elderly Affairs may award a contract to the vendor that the departments deem to represent the best value to public employees family members of public employees, and retirees.

(e) No entity providing actuarial consulting services to the Department of Management Services or the Department of Elderly Affairs in the preparation of the request for proposals, in the evaluation of such proposals, or in the selection of a provider of long-term-care service offerings shall be eligible to provide or contract to provide the entity selected as the provider

of long-term-care service offerings in this state with any services related to the Florida Employee Long-Term-Care Plan.

(2) As used in this section, the term:

(a) "Department" means the Department of Elderly Affairs.

~~(b) "Division" means the Division of State Group Insurance.~~

~~(b)~~(e) "Self-funded" means that plan benefits and costs are funded from contributions made by or on behalf of participants and trust fund investment revenue.

~~(c)~~(d) "Plan" means the Florida Employee Long-Term-Care Plan.

(3) The Department of Management Services ~~division~~ and the department shall, in consultation with public employers and employees and representatives from unions and associations representing state, university, local government, and other public employees, establish and supervise the implementation and administration of a self-funded or fully insured long-term-care plan entitled "Florida Employee Long-Term-Care Plan."

(a) The Department of Management Services ~~division~~ and the department shall, in consultation with the ~~department, the Department of Management Services, and the~~ Department of Insurance, contract for actuarial, professional-administrator, and other services for the Florida Employee Long-Term-Care Plan.

(b) When contracting for a professional administrator, the Department of Management Services ~~division~~ shall consider, at a minimum, the entity's previous experience and expertise in administering group long-term-care self-funded plans or long-term-care insurance programs; the entity's demonstrated ability to perform its contractual obligations in the state and in other jurisdictions; the entity's projected administrative costs; the entity's capability to adequately provide service coverage, including a sufficient number of experienced and qualified personnel in the areas of marketing, claims processing, recordkeeping, and underwriting; the entity's accessibility to public employees and other qualified participants; and the entity's financial soundness and solvency.

(c) Any contract with a professional administrator entered into by the Department of Management Services ~~division~~ must require that the state be held harmless and indemnified for any financial loss caused by the failure of the professional administrator to comply with the terms of the contract.

(d) The Department of Management Services ~~division~~ shall explore innovations in long-term-care financing and service delivery with regard to possible future inclusion in the plan. Such innovative financing and service-delivery mechanisms may include managed long-term care and plans that set aside assets with regard to eligibility for Medicaid-funded long-term-care services in the same proportion that private long-term-care insurance benefits are used to pay for long-term care.

(4) The Department of Management Services ~~division~~ and the department shall coordinate, directly or through contract, marketing of the plan. Expenses related to such marketing shall be reimbursed from funds of the plan.

(5) The Department of Management Services ~~division~~ shall contract with the State Board of Administration for the investment of funds in the Florida Employee Long-Term-Care Plan reserve fund. Plan funds are not state funds. The moneys shall be held by the State Board of Administration on behalf of enrollees and invested and disbursed in accordance with a trust agreement approved by the division and the State Board of Administration and in accordance with the provisions of ss. 215.44-215.53. Moneys in the reserve fund may be used only for the purposes specified in the agreement.

(6) A Florida Employee Long-Term-Care Plan Board of Directors is created, composed of nine ~~seven~~ members who shall serve 2-year terms, to be appointed after May 1, 1999, as follows:

(a) The secretary of the Department of Elderly Affairs shall appoint a member who is a plan participant.

(b) The Insurance Commissioner shall appoint an actuary.

(c) The Attorney General shall appoint an attorney licensed to practice law in this state.

(d) The Governor shall appoint three members from a broad cross-section of the residents of this state.

(e) The Department of Management Services ~~division~~ shall appoint a member.

(f) The President of the Senate shall appoint a member of the Senate.

(g) The Speaker of the House shall appoint a member of the House.

(7) The board of directors of the Florida Long-Term-Care Plan shall:

(a) Prepare an annual report of the plan, with the assistance of an actuarial consultant, to be submitted to the Speaker of the House of Representatives, the President of the Senate, the Governor, and the Minority Leaders of the Senate and the House of Representatives.

(b) Approve the appointment of an executive director jointly recommended by the Department of Management Services ~~division~~ and the department to serve as the chief administrative and operational officer of the Florida Employee Long-Term-Care Plan.

(c) Approve the terms of the Department of Management Services' ~~division's~~ third-party administrator contract.

(d) Implement such other policies and procedures as necessary to assure the soundness and efficient operation of the plan.

(8) Members of the board may not receive a salary, but may be reimbursed for travel, per diem, and administrative expenses related to their duties. Board expenses and costs for the annual report and other administrative expenses must be borne by the plan. State funds may not be contributed toward costs associated with board members or their activities conducted on behalf of and for the benefit of plan beneficiaries.

Section 6. Section 110.123, Florida Statutes, 1998 Supplement, is amended to read:

110.123 State group insurance program.—

(1) TITLE.—This section may be cited as the “State Group Insurance Program Law.”

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

(a) “Department” means the Department of Management Services.

~~(b) “Division” means the Division of State Group Insurance in the department.~~

~~(b)(c)~~ (b)(e) “Enrollee” means all state officers and employees, retired state officers and employees, and surviving spouses of deceased state officers and employees, and terminated employees or individuals with continuation coverage who are enrolled in an insurance plan offered by the state group insurance program.

~~(c)(d)~~ (c)(d) “Full-time state employees” includes all full-time employees of all branches or agencies of state government holding salaried positions and paid by state warrant or from agency funds, and employees paid from regular salary appropriations for 8 months’ employment, including university personnel on academic contracts, but in no case shall “state employee” or “salaried position” include persons paid from other-personal-services (OPS) funds.

~~(d)(e)~~ (d)(e) “Health maintenance organization” or “HMO” means an entity certified under part I of chapter 641.

(e) “Health plan member” means any person participating in the state group health insurance plan or in a health maintenance organization plan under the state group insurance program, including enrollees and covered dependents thereof.

(f) “Part-time state employee” means any employee of any branch or agency of state government paid by state warrant from salary appropriations or from agency funds, and who is employed for less than the normal full-time workweek established by the department or, if on academic contract or seasonal or other type of employment which is less than year-round, is employed for less than 8 months during any 12-month period, but in no case shall “part-time” employee include a person paid from other-personal-services (OPS) funds.

(g) “Retired state officer or employee” or “retiree” means any state officer or state employee who retires under a state retirement system or a state optional annuity or retirement program or is placed on disability retirement, and who was insured under the state group insurance program at the time of retirement, and who begins receiving retirement benefits immediately after retirement from state office or employment.

(h) “State agency” or “agency” means any branch, department, or agency of state government.

(i) “State group health insurance plan or “state plan” means the state self-insured health insurance plan offered to state officers and employees, retired state officers and employees, and surviving spouses of deceased state officers and employees pursuant to this section.

(j) “State-contracted HMO” means any health maintenance organization under contract with the department to participate in the state group insurance program.

(k)(j) “State group insurance program” or “programs” means the package of insurance plans offered to state officers and employees, retired state officers and employees, and surviving spouses of deceased state officers and employees pursuant to this section, including the state group health insurance plan, health maintenance organization plans, and other plans required or authorized by this section.

(l)(k) “State officer” means any constitutional state officer, any elected state officer paid by state warrant, or any appointed state officer who is commissioned by the Governor and who is paid by state warrant.

(m)(l) “Surviving spouse” means the widow or widower of a deceased state officer, full-time state employee, part-time state employee, or retiree if such widow or widower was covered as a dependent under the state group health insurance plan or a health maintenance organization plan established pursuant to this section at the time of the death of the deceased officer, employee, or retiree. “Surviving spouse” also means any widow or widower who is receiving or eligible to receive a monthly state warrant from a state retirement system as the beneficiary of a state officer, full-time state employee, or retiree who died prior to July 1, 1979. For the purposes of this section, any such widow or widower shall cease to be a surviving spouse upon his or her remarriage.

(3) STATE GROUP INSURANCE PROGRAM.—

(a) The Division of State Group Insurance is created within the Department of Management Services, ~~to be headed by a director who shall be appointed by the Governor and confirmed by the Senate. The division shall be a separate budget entity, and the director shall be its agency head for all purposes. The Department of Management Services shall provide administrative support and service to the division to the extent requested by the director. The division shall not be subject to control, supervision, or direction by the Department of Management Services in any manner, including, but~~

~~not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters, except to the extent as provided in this chapter and chapters 216, 255, 282, and 287 for agencies of the executive branch.~~

~~(b) The director shall be a person qualified by training and experience to understand the problems and needs of state employees in the area of health care coverage and insurance issues. The director shall have training and experience in the field of health care reimbursement, insurance or self-insurance programs, and the administration of such programs in the public or private sector.~~

~~(b)(c) It is the intent of the Legislature to offer a comprehensive package of health insurance and retirement benefits and a personnel system for state employees which are provided in a cost-efficient and prudent manner, and to allow state employees the option to choose benefit plans which best suit their individual needs. Therefore, the state group insurance program is established which may include the state group health insurance plan, health maintenance organization plans, group life insurance plans, group accidental death and dismemberment plans, and group disability insurance plans. Furthermore, the department division is additionally authorized to establish and provide as part of the state group insurance program any other group insurance plans which are consistent with the provisions of this section.~~

~~(c)(d) Notwithstanding any provision in this section to the contrary, it is the intent of the Legislature that the department division shall be responsible for all aspects of the purchase of health care for state employees under the state group health insurance plan and the health maintenance organization plans. Responsibilities shall include, but not be limited to, the development of requests for proposals for state employee health services, the determination of health care benefits to be provided, and the negotiation of contracts for health care and health care administrative services. Prior to the negotiation of contracts for health care services, the Legislature intends that the department division shall develop, in consultation with the Department of Management Services with respect to state collective bargaining issues, the health benefits and terms to be included in the state group health insurance program. The department division shall adopt rules necessary to perform its responsibilities pursuant to this section. It is the intent of the Legislature that the department division shall be responsible for the contract management and day-to-day management of the state employee health insurance program, including, but not limited to, employee enrollment, premium collection, payment to health care providers, and other administrative functions related to the program.~~

~~(d)(e)1. Notwithstanding the provisions of chapter 287 and the authority of the department, for the purpose of protecting the health of, and providing medical services to, state employees participating in the State Group Insurance Program Employees' Health Self-Insurance Plan, the department Division of State Group Insurance may contract to retain the services of professional administrators for the State Group Insurance Program Employees' Health Self-Insurance Plan. The agency shall follow good purchasing practices of state procurement to the extent practicable under the circumstances.~~

2. Each vendor in a major procurement, and any other vendor if the ~~department division~~ deems it necessary to protect the state's financial interests, shall, at the time of executing any contract with the ~~department division~~, post an appropriate bond with the ~~department division~~ in an amount determined by the ~~department division~~ to be adequate to protect the state's interests but not higher than the full amount estimated to be paid annually to the vendor under the contract.

3. Each major contract entered into by the ~~department division~~ pursuant to this section shall contain a provision for payment of liquidated damages to the ~~department division~~ for material noncompliance by a vendor with a contract provision. The ~~department division~~ may require a liquidated damages provision in any contract if the ~~department division~~ deems it necessary to protect the state's financial interests.

4. The provisions of s. 120.57(3) apply to the ~~department's division's~~ contracting process, except:

a. A formal written protest of any decision, intended decision, or other action subject to protest shall be filed within 72 hours after receipt of notice of the decision, intended decision, or other action.

b. As an alternative to any provision of s. 120.57(3), the ~~department division~~ may proceed with the bid selection or contract award process if the director of the department sets forth, in writing, particular facts and circumstances which demonstrate the necessity of continuing the procurement process or the contract award process in order to avoid a substantial disruption to the provision of any scheduled insurance services.

~~(e)(f)~~ Except as provided for in subparagraph ~~(g)2.~~ ~~(h)2.~~, the percentage of state contribution toward the cost of any plan in the state group insurance program shall be uniform with respect to all state employees in state collective bargaining units participating in the same plan or any similar plan. Nothing contained within this section prohibits the development of separate benefit plans for officers and employees exempt from collective bargaining or the development of separate benefit plans for each collective bargaining unit.

~~(f)(g)~~ Participation by individuals in the program shall be available to all state officers, full-time state employees, and part-time state employees; and such participation in the program or any plan thereof shall be voluntary. Participation in the program shall also be available to retired state officers and employees who elect at the time of retirement to continue coverage under the program, but they may elect to continue all or only part of the coverage they had at the time of retirement. A surviving spouse may elect to continue coverage only under the state group health insurance plan or a health maintenance organization plan.

~~(g)(h)1.~~ A person eligible to participate in the state group health insurance ~~program plan~~ may be authorized by rules adopted by the ~~department division~~, in lieu of participating in the state group health insurance plan, to exercise an option to elect membership in a health maintenance organization plan which is under contract with the state in accordance with criteria

established by this section and by said rules. The offer of optional membership in a health maintenance organization plan permitted by this paragraph may be limited or conditioned by rule as may be necessary to meet the requirements of state and federal laws.

2. ~~The department division shall contract with health maintenance organizations seeking to participate in the state group insurance program through a request for proposal or other procurement process, as developed by the Department of Management Services and determined to be appropriate based upon a premium and a minimum benefit package as follows:~~

a. ~~The department shall establish a schedule of minimum benefits for health maintenance organization coverage, and that schedule A minimum benefit package to be provided by a participating HMO shall include: physician services; inpatient and outpatient hospital services; emergency medical services, including out-of-area emergency coverage; diagnostic laboratory and diagnostic and therapeutic radiologic services; mental health, alcohol, and chemical dependency treatment services meeting the minimum requirements of state and federal law; skilled nursing facilities and services; prescription drugs; and other benefits as may be required by the department division. Additional services may be provided subject to the contract between the department division and the HMO.~~

b. ~~The department may establish A uniform schedule for deductibles, and copayments, or coinsurance schedules may be established for all participating HMOs plans.~~

c. ~~The department may require detailed information from each health maintenance organization participating in the procurement process, including information pertaining to organizational status, experience in providing pre-paid health benefits, accessibility of services, financial stability of the plan, quality of management services, accreditation status, quality of medical services, network access and adequacy, performance measurement, ability to meet the department's reporting requirements, and the actuarial basis of the proposed rates and other data determined by the director to be necessary for the evaluation and selection of health maintenance organization plans and negotiation of appropriate rates for these plans. Upon receipt of proposals by health maintenance organization plans and the evaluation of those proposals, the department may enter into negotiations with all of the plans or a subset of the plans, as the department determines appropriate. Based upon the minimum benefit package and copayments and deductibles contained in sub-subparagraphs a. and b., the division shall issue a request for proposal for all HMOs which are interested in participating in the state group insurance program. Upon receipt of all proposals, the division may, as it deems appropriate, enter into contract negotiations with HMOs submitting bids. As part of the request for proposal process, the division may require detailed financial data from each HMO which participates in the bidding process for the purpose of determining the financial stability of the HMO.~~

d. ~~In determining which HMOs to contract with, the division shall, at a minimum, consider: each proposed contractor's previous experience and ex-~~

~~expertise in providing prepaid health benefits; each proposed contractor's historical experience in enrolling and providing health care services to participants in the state group insurance program; the cost of the premiums; the plan's ability to adequately provide service coverage and administrative support services as determined by the division; plan benefits in addition to the minimum benefit package; accessibility to providers; and the financial solvency of the plan. Nothing shall preclude the department division from negotiating regional or statewide contracts with health maintenance organization plans when this is cost-effective and when the department division determines that the plan offers high value to enrollees ~~has the best overall benefit package for the service areas involved. However, no HMO shall be eligible for a contract if the HMO's retiree Medicare premium exceeds the retiree rate as set by the division for the state group health insurance plan.~~~~

e. The department division may limit the number of HMOs that it contracts with in each service area based on the nature of the bids the department division receives, the number of state employees in the service area, ~~or and~~ any unique geographical characteristics of the service area. The department division shall establish by rule service areas throughout the state.

f. All persons participating in the state group insurance program who are required to contribute towards a total state group health premium shall be subject to the same dollar contribution regardless of whether the enrollee enrolls in the state group health insurance plan or in an HMO plan.

3.4. In addition to contracting pursuant to subparagraph 2., the department division shall enter into contract with any HMO to participate in the state group insurance program which:

a. Serves greater than 5,000 recipients on a prepaid basis under the Medicaid program;

b. Does not currently meet the 25 percent non-Medicare/non-Medicaid enrollment composition requirement established by the Department of Health and ~~Human Services~~ excluding participants enrolled in the state group insurance program;

c. Meets the minimum benefit package and copayments and deductibles contained in sub-subparagraphs 2.a. and b.;

d. Is willing to participate in the state group insurance program at a cost of premiums that is not greater than 95 percent of the cost of HMO premiums accepted by the department division in each service area; and

e. Meets the minimum surplus requirements of s. 641.225.

The department division is authorized to contract with HMOs that meet the requirements of sub-subparagraphs a. through d. prior to the open enrollment period for state employees. The department division is not required to renew the contract with the HMOs as set forth in this paragraph more than twice. Thereafter, the HMOs shall be eligible to participate in the state

group insurance program only through the request for proposal process described in subparagraph 2.

4.5. All enrollees in the state group health insurance plan or any health maintenance organization plan shall have the option of changing to any other health plan which is offered by the state within any open enrollment period designated by the ~~department division~~. Open enrollment shall be held at least once each calendar year.

5.6. ~~Any HMO participating in the state group insurance program shall submit health care utilization and cost data to the department, in such form and in such manner as the division shall require, as a condition of participating in the program. The department shall enter into negotiations with its contracting HMOs to determine the nature and scope of the data submission and the final requirements, format, penalties associated with noncompliance, and timetables for submission. These determinations shall be adopted by rule. Any HMO participating in the state group insurance program shall, upon the request of the division, submit to the division standardized data for the purpose of comparison of the appropriateness, quality, and efficiency of care provided by the HMO. Such standardized data shall include: membership profiles; inpatient and outpatient utilization by age and sex, type of service, provider type, and facility; and emergency care experience. Requirements and timetables for submission of such standardized data and such other data as the division deems necessary to evaluate the performance of participating HMOs shall be adopted by rule.~~

6.7. ~~The department division may establish and direct with respect to collective bargaining issues, a comprehensive package of insurance benefits that may include, supplemental health and life coverage, dental care, long-term care, vision care, and other benefits it determines necessary to enable state employees to select from among benefit options that best suit their individual and family needs shall, after consultation with representatives from each of the unions representing state and university employees, establish a comprehensive package of insurance benefits including, but not limited to, supplemental health and life coverage, dental care, long-term care, and vision care to allow state employees the option to choose the benefit plans which best suit their individual needs.~~

a. Based upon a desired benefit package, the ~~department division~~ shall issue a request for proposal for health insurance providers interested in participating in the state group insurance program, and the division shall issue a request for proposal for insurance providers interested in participating in the non-health-related components of the state group insurance program. Upon receipt of all proposals, the ~~department division~~ may enter into contract negotiations with insurance providers submitting bids or negotiate a specially designed benefit package. Insurance providers offering or providing supplemental coverage as of May 30, 1991, which qualify for pretax benefit treatment pursuant to s. 125 of the Internal Revenue Code of 1986, with 5,500 or more state employees currently enrolled may be included by the ~~department division~~ in the supplemental insurance benefit plan established by the ~~department division~~ without participating in a request for proposal, submitting bids, negotiating contracts, or negotiating a specially

designed benefit package. These contracts shall provide state employees with the most cost-effective and comprehensive coverage available; however, no state or agency funds shall be contributed toward the cost of any part of the premium of such supplemental benefit plans.

b. Pursuant to the applicable provisions of s. 110.161, and s. 125 of the Internal Revenue Code of 1986, the department ~~division~~ shall enroll in the pretax benefit program those state employees who voluntarily elect coverage in any of the supplemental insurance benefit plans as provided by subparagraph a.

c. Nothing herein contained shall be construed to prohibit insurance providers from continuing to provide or offer supplemental benefit coverage to state employees as provided under existing agency plans.

(h)(i) The benefits of the insurance authorized by this section shall not be in lieu of any benefits payable under chapter 440, the Workers' Compensation Law. The insurance authorized by this law shall not be deemed to constitute insurance to secure workers' compensation benefits as required by chapter 440.

(4) PAYMENT OF PREMIUMS; CONTRIBUTION BY STATE; LIMITATION ON ACTIONS TO PAY AND COLLECT PREMIUMS.—

(a) Except as provided in paragraph (e) with respect to law enforcement officers, correctional, and correctional probation officers, and firefighters, legislative authorization through the appropriations act is required for payment by a state agency of any part of the premium cost of participation in any group insurance plan. However, the state contribution for full-time employees or part-time permanent employees shall continue in the respective proportions for up to 6 months for any such officer or employee who has been granted an approved parental or medical leave of absence without pay.

(b) If a state officer or full-time state employee selects membership in a health maintenance organization as authorized by paragraph (3)(g), the officer or employee is entitled to a state contribution toward individual and dependent membership as provided by the Legislature through the appropriations act.

(c) During each policy or budget year, no state agency shall contribute a greater percentage of the premium cost for its officers or employees for any type of coverage under the state group insurance program than any other agency, nor shall any greater percentage contribution of premium cost be made for employees in one state collective bargaining unit than for those in any other state collective bargaining unit.

(d) The state contribution for a part-time permanent state employee who elects to participate in the program shall be prorated so that the percentage of the cost contributed for the part-time permanent employee bears that relation to the percentage of cost contributed for a similar full-time employee that the part-time employee's normal workday bears to a full-time employee's normal workday.

(e) No state contribution for the cost of any part of the premium shall be made for retirees or surviving spouses for any type of coverage under the state group insurance program. However, any state agency that employs a full-time law enforcement officer, correctional officer, or correctional probation officer who is killed or suffers catastrophic injury in the line of duty as provided in s. 112.19, or a full-time firefighter who is killed or suffers catastrophic injury in the line of duty as provided in s. 112.191, ~~on or after July 1, 1980, as a result of an act of violence inflicted by another person while the officer is engaged in the performance of law enforcement duties or as a result of an assault against the officer under riot conditions~~ shall pay the entire premium of the state group health insurance plan for the employee's surviving spouse until remarried, and for each dependent child of the employee, subject to the conditions and limitations set forth in s. 112.19 or s. 112.191, as applicable until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if:

1. ~~At the time of the employee's death, the child is dependent upon the employee for support; and~~

2. ~~The surviving child continues to be a dependent for support, or the surviving child is a full-time or part-time student and is dependent for support.~~

(f) Pursuant to the request of each state officer, full-time or part-time state employee, or retiree participating in the state group insurance program, and upon certification of the employing agency approved by the ~~department~~ Division of State Group Insurance, the Comptroller shall deduct from the salary or retirement warrant payable to each participant the amount so certified and shall handle such deductions in accordance with rules established by the ~~department~~ division.

(g) No administrative or civil proceeding shall be commenced to collect an underpayment or refund an overpayment of premiums collected pursuant to this subsection unless such claim is filed with the ~~department~~ Division of State Group Insurance within 2 years after the alleged underpayment or overpayment was made. For purposes of this paragraph, a payroll deduction, salary reduction, or contribution by an agency is deemed to be made on the date the salary warrant is issued.

(h) State employees may participate in the state group health insurance plan at the time of receiving their state retirement benefits.

(5) ~~DEPARTMENT DIVISION OF STATE GROUP INSURANCE; POWERS AND DUTIES.~~—The ~~department~~ division is responsible for the administration of the state group insurance program. The ~~department~~ division shall initiate and supervise the program as established by this section and shall adopt such rules as are necessary to perform its responsibilities. To implement this program, the ~~department~~ division shall, with prior approval by the Legislature:

(a) Determine the benefits to be provided and the contributions to be required for the state group insurance program. Such determinations,

whether for a contracted plan or a self-insurance plan pursuant to paragraph (c), do not constitute rules within the meaning of s. 120.52 or final orders within the meaning of s. 120.52. Any physician's fee schedule used in the health and accident plan shall not be available for inspection or copying by medical providers or other persons not involved in the administration of the program. However, in the determination of the design of the program, the department ~~division~~ shall consider existing and complementary benefits provided by the Florida Retirement System and the Social Security System.

(b) Prepare, in cooperation with the Department of Insurance, the specifications necessary to implement the program.

(c) Contract on a competitive proposal basis with an insurance carrier or carriers, or professional administrator, determined by the Department of Insurance to be fully qualified, financially sound, and capable of meeting all servicing requirements. Alternatively, the department ~~division~~ may self-insure any plan or plans contained in the state group insurance program subject to approval based on actuarial soundness by the Department of Insurance. The department ~~division~~ may contract with an insurance company or professional administrator qualified and approved by the Department of Insurance to administer such plan. Before entering into any contract, the department ~~division~~ shall advertise for competitive proposals, and such contract shall be let upon the consideration of the benefits provided in relationship to the cost of such benefits. In determining which entity to contract with, the department ~~division~~ shall, at a minimum, consider: the entity's previous experience and expertise in administering group insurance programs of the type it proposes to administer; the entity's ability to specifically perform its contractual obligations in this state and other governmental jurisdictions; the entity's anticipated administrative costs and claims experience; the entity's capability to adequately provide service coverage and sufficient number of experienced and qualified personnel in the areas of claims processing, recordkeeping, and underwriting, as determined by the department ~~division~~; the entity's accessibility to state employees and providers; the financial solvency of the entity, using accepted business sector measures of financial performance. The department ~~division~~ may contract for medical services which will improve the health or reduce medical costs for employees who participate in the state group insurance plan.

(d) With respect to the state group health insurance plan, be authorized to require copayments with respect to all providers under the plan.

(e) Have authority to establish a voluntary program for comprehensive health maintenance, which may include health educational components and health appraisals.

(f) With respect to any contract with an insurance carrier or carriers or professional administrator entered into by the department ~~division~~, require that the state and the enrollees be held harmless and indemnified for any financial loss caused by the failure of the insurance carrier or professional administrator to comply with the terms of the contract.

(g) With respect to any contract with an insurance carrier or carriers, or professional administrator entered into by the ~~department division~~, require that the carrier or professional administrator provide written notice to individual enrollees if any payment due to any health care provider of the enrollee remains unpaid beyond a period of time as specified in the contract.

(h) Have authority to establish a ~~voluntary group long-term care program~~ or other voluntary programs to be funded on a pretax contribution basis or on a posttax contribution basis, as the ~~department division~~ determines.

(i) Beginning November 1, 1998, and for the 1998-1999 fiscal year only, continue to process health insurance claims for the 1996 and 1997 calendar years, subject to the review and approval process provided in s. 216.177. This paragraph is repealed on July 1, 1999.

Final decisions concerning enrollment, the existence of coverage, or covered benefits under the state group health insurance program plan shall not be delegated or deemed to have been delegated by the ~~department division~~.

(6) DEPOSIT OF PREMIUMS AND REFUNDS.—Premium dollars collected and not required to pay the costs of the program, prior to being paid to the carrier insurance company, shall be invested, and the earnings from such investment shall be deposited in a trust fund to be designated in the State Treasury and utilized for increased benefits or reduced premiums for the participants or may be used to pay for the administration of the state group insurance program. Any refunds paid the state by the insurance carrier from premium dollar reserves held by the carrier and earned on such refunds shall be deposited in the trust fund and used for such purposes.

(7) CONTINUATION OF AGENCY INSURANCE PLANS.—Nothing contained in this section shall require the discontinuation of any insurance plan provided by any state agency; however, no state or agency funds shall be contributed toward the cost of any part of the premium of such agency plans. Such agency plans shall not be deemed to be included in the state group insurance program.

(8) COVERAGE FOR LEGISLATIVE MEMBERS AND EMPLOYEES.—The Legislature may provide coverage for its members and employees under all or any part of the state group insurance program; may provide coverage for its members and employees under a legislative group insurance program in lieu of all or any part of the state group insurance program; and, notwithstanding the provisions of paragraph (4)(c), may assume the cost of any group insurance coverage provided to its members and employees. Effective July 1, 1999, any legislative member who terminates his or her elected service after July 1, 1999, after having vested in the state retirement system, may purchase coverage in the state group health insurance plan at the same premium cost as that for retirees and surviving spouses. Such legislators may also elect to continue coverage under the group term life insurance program prevailing for current members at the premium cost in effect for that plan.

(9) PUBLIC RECORDS LAW; EXEMPTION.—Patient medical records and medical claims records of state employees, former state employees, and their eligible covered dependents in the custody or control of the state group insurance program are confidential and exempt from the provisions of s. 119.07(1). Such records shall not be furnished to any person other than the affected state employee or former state employee or his or her the employee's legal representative, except upon written authorization of the employee or former state employee, but may be furnished in any civil or criminal action, unless otherwise prohibited by law, upon the issuance of a subpoena from a court of competent jurisdiction and proper notice to the state employee, former state employee, or his or her the employee's legal representative by the party seeking such records.

(10) STATEMENTS OF PURPOSE AND INTENT AND OTHER PROVISIONS REQUIRED FOR QUALIFICATION UNDER THE INTERNAL REVENUE CODE OF THE UNITED STATES.—Any other provisions in this chapter to the contrary notwithstanding:

(a) Any provision in this chapter relating to a state group insurance program shall be construed and administered to the extent possible to qualify such program to be a qualified and nondiscriminatory employee benefit plan under existing or hereafter-enacted provisions of the Internal Revenue Code of the United States.

(b) The department division may adopt any rule necessary to accomplish the purposes of this subsection not inconsistent with this chapter.

(c) This subsection is declaratory of the legislative intent upon the original enactment of this section and is deemed to have been in effect since that date.

(11) NOTICE BY HEALTH CARE PROVIDERS.—Any health care provider that has entered into a contract with a carrier or professional administrator that has contracted with the department division to administer the self-insurance program under this section shall provide written notification to the enrollee and the carrier or administrator at least 10 days before assigning or transferring the responsibility for collecting any payment or debt related to the plan to a collection agency or to any other third party.

Section 7. Section 110.12315, Florida Statutes, is amended to read:

(Substantial rewording of section. See s. 110.12315, F.S., for present text.)

110.12315 Prescription drug program.—The state employees' prescription drug program is established. This program shall be administered by the Department of Management Services, according to the terms and conditions of the plan as established by the relevant provisions of the annual General Appropriations Act and implementing legislation, subject to the following conditions:

(1) The Department of Management Services shall allow prescriptions written by health care providers under the plan to be filled by any licensed

pharmacy pursuant to contractual claims-processing provisions. Nothing in this section may be construed as prohibiting a mail order prescription drug program distinct from the service provided by retail pharmacies.

(2) In providing for reimbursement of pharmacies for prescription medicines dispensed to members of the state group health insurance plan and their dependents under the state employees' prescription drug program:

(a) Retail pharmacies participating in the program must be reimbursed at a uniform rate and subject to uniform conditions, according to the terms and conditions of the plan.

(b) There shall be a 30-day supply limit for prescription card purchases and 90-day supply limit for mail order or mail order prescription drug purchases.

(c) The current pharmacy dispensing fee remains in effect.

(3) The Department of Management Services shall establish the reimbursement schedule for prescription pharmaceuticals dispensed under the program. Reimbursement rates for a prescription pharmaceutical must be based on the cost of the generic equivalent drug if a generic equivalent exists, unless the physician prescribing the pharmaceutical clearly states on the prescription that the brand name drug is medically necessary or that the drug product is included on the formulary of drug products that may not be interchanged as provided in chapter 465, in which case reimbursement must be based on the cost of the brand name drug as specified in the reimbursement schedule adopted by the Department of Management Services.

(4) The Department of Management Services shall conduct a prescription utilization review program. In order to participate in the state employees' prescription drug program, retail pharmacies dispensing prescription medicines to members of the state group health insurance plan or their covered dependents, or to subscribers or covered dependents of a health maintenance organization plan under the state group insurance program, shall make their records available for this review.

(5) The Department of Management Services shall implement such additional cost-saving measures and adjustments as may be required to balance program funding within appropriations provided, including a trial or starter dose program and dispensing of long-term-maintenance medication in lieu of acute therapy medication.

(6) Participating pharmacies must use a point-of-sale device or an on-line computer system to verify a participant's eligibility for coverage. The state is not liable for reimbursement of a participating pharmacy for dispensing prescription drugs to any person whose current eligibility for coverage has not been verified by the state's contracted administrator or by the Department of Management Services.

Section 8. The Department of Management Services shall not implement a prior authorization program or a restricted formulary program that restricts a non-HMO enrollee's access to prescription drugs beyond the provi-

sions of paragraph (b) related specifically to generic equivalents for prescriptions and the provisions in paragraph (d) related specifically to starter dose programs or the dispensing of long-term maintenance medications. The prior authorization program expanded pursuant to section 8 of the 1998-1999 General Appropriations Act is hereby terminated. If this section conflicts with any General Appropriations Act or any act implementing a General Appropriations Act, the Legislature intends that the provisions of this section shall prevail. This section shall take effect upon becoming law.

Section 9. Section 110.1232, Florida Statutes, is amended to read:

110.1232 Health insurance coverage for persons retired under state-administered retirement systems before January 1, 1976, and for spouses.— Notwithstanding any provisions of law to the contrary, the Department of Management Services Division of State Group Insurance shall provide health insurance coverage under in the State Group Health Insurance Program Plan for persons who retired before prior to January 1, 1976, under any of the state-administered retirement systems and who are not covered by social security and for the spouses and surviving spouses of such retirees who are also not covered by social security. Such health insurance coverage shall provide the same benefits as provided to other retirees who are entitled to participate under s. 110.123. The claims experience of this group shall be commingled with the claims experience of other members covered under s. 110.123.

Section 10. Section 110.1234, Florida Statutes, is amended to read:

110.1234 Health insurance for retirees under the Florida Retirement System; Medicare supplement and fully insured coverage.—

(1) The Department of Management Services Division of State Group Insurance shall solicit competitive bids from state-licensed insurance companies to provide and administer a fully insured Medicare supplement policy for all eligible retirees of a state or local public employer. Such Medicare supplement policy shall meet the provisions of ss. 627.671-627.675. For the purpose of this subsection, “eligible retiree” means any public employee who retired from a state or local public employer who is covered by Medicare, Parts A and B. The department shall authorize one company to offer the Medicare supplement coverage to all eligible retirees. All premiums shall be paid by the retiree.

(2) The Department of Management Services Division of State Group Insurance shall solicit competitive bids from state-licensed insurance companies to provide and administer fully insured health insurance coverage for all public employees who retired from a state or local public employer who are not covered by Medicare, Parts A and B. The department division may authorize one company to offer such coverage if the proposed benefits and premiums are reasonable. If such coverage is authorized, all premiums shall be paid for by the retiree.

Section 11. Subsections (5), (6), and (7) of section 110.161, Florida Statutes, are amended to read:

110.161 State employees; pretax benefits program.—

(5) The Department of Management Services Division of State Group Insurance shall develop rules for the pretax benefits program, which shall specify the benefits to be offered under the program, the continuing tax-exempt status of the program, and any other matters deemed necessary by the department to implement this section. The rules must be approved by a majority vote of the Administration Commission.

(6) The Department of Management Services Division of State Group Insurance is authorized to ~~administer the establish a~~ pretax benefits program ~~established~~ for all employees ~~so that whereby~~ employees ~~may would~~ receive benefits ~~that which~~ are not includable in gross income under the Internal Revenue Code of 1986. The pretax benefits program: ~~shall be implemented in phases.~~

(a) ~~Phase one~~ Shall allow employee contributions to premiums for the state group insurance health program administered under s. 110.123 and state life insurance to be paid on a pretax basis unless an employee elects not to participate.

(b) ~~Phase two~~ Shall allow employees to voluntarily establish expense reimbursement plans from their salaries on a pretax basis to pay for qualified medical and dependent care expenses, including premiums paid by employees for qualified supplemental insurance.

(c) ~~Phase two~~ May also provide for the payment of such premiums through a pretax payroll procedure ~~as used in phase one~~. The Administration Commission and the Department of Management Services Division of State Group Insurance are directed to take all actions necessary to preserve the tax-exempt status of the program.

(7) The Legislature recognizes that a substantial amount of the employer savings realized by the implementation of a pretax benefits program will be the result of diminutions in the state's employer contribution to the Federal Insurance Contributions Act tax. There is hereby created the Pretax Benefits Trust Fund in the Department of Management Services Division of State Group Insurance. Each agency shall transfer to the Pretax Benefits Trust Fund the employer FICA contributions saved by the state as a result of the implementation of the pretax benefits program authorized pursuant to this section. Any moneys forfeited pursuant to employees' salary reduction agreements to participate in ~~phase one or phase two~~ of the program must also be deposited in the Pretax Benefits Trust Fund. Moneys in the Pretax Benefits Trust Fund shall be used for the pretax benefits program, including its administration by the Department of Management Services or a third-party administrator.

Section 12. Paragraph (b) of subsection (4) of section 112.05, Florida Statutes, is amended to read:

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

(4)

(b) Any person to whom the limitation in paragraph (a) applies who violates such reemployment limitation and is reemployed with any agency participating in the Florida Retirement System prior to completion of the 12-month limitation period shall give timely notice of this fact in writing to the employer and to the division; and the person's retirement benefits shall be suspended for the balance of the 12-month limitation period. Any person employed in violation of this subsection and any employing agency which knowingly employs or appoints such person without notifying the Department of Management Services ~~Division of Retirement~~ to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by such person while reemployed during this limitation period shall be repaid to the retirement trust fund, and the retirement benefits shall remain suspended until such repayment has been made. Any benefits suspended beyond the reemployment limitation period shall apply toward the repayment of benefits received in violation of the reemployment limitation.

Section 13. Paragraph (d) of subsection (4) of section 112.3173, Florida Statutes, is amended to read:

112.3173 Felonies involving breach of public trust and other specified offenses by public officers and employees; forfeiture of retirement benefits.—

(4) NOTICE.—

(d) The Commission on Ethics shall forward any notice and any other document received by it pursuant to this subsection to the governing body of the public retirement system of which the public officer or employee is a member or from which the public officer or employee may be entitled to receive a benefit. When called on by the Commission on Ethics, the Department of Management Services ~~Division of Retirement~~ shall assist the commission in identifying the appropriate public retirement system.

Section 14. Subsection (7) of section 112.352, Florida Statutes, is amended to read:

112.352 Definitions.—The following words and phrases as used in this act shall have the following meaning unless a different meaning is required by the context:

(7) "Department" "~~Division~~" means the Department of Management Services ~~Division of Retirement~~.

Section 15. Section 112.354, Florida Statutes, is amended to read:

112.354 Eligibility for supplement.—Each retired member or, if applicable, a joint annuitant, except any person receiving survivor benefits under the teachers' retirement system of the state in accordance with s. 238.07(16),

shall be entitled to receive a supplement computed in accordance with s. 112.355 upon:

(1) Furnishing to the Department of Management Services ~~Division of Retirement~~ evidence from the Social Security Administration setting forth the retired member's social security benefit or certifying the noninsured status of the retired member under the Social Security Act, and

(2) Filing written application with the Department of Management Services ~~Division of Retirement~~ for such supplement.

Section 16. Section 112.356, Florida Statutes, is amended to read:

112.356 Payment of supplement.—Any supplement due and payable under this act shall be paid by the department ~~division~~ or under the direction and control of the department ~~division~~, based on information furnished by the retired member, or a joint annuitant, and the administrator of the system under which retirement benefits are being paid, beginning on the first day of the month coincident with or next following the later of the effective date of this act and the date of approval of the application for supplement by the department ~~division~~, and payable thereafter on the first day of each month in the normal or optional form in which retirement benefits under the applicable system are being paid; provided, however, that if application for supplement is made subsequent to December 31, 1967, not more than 6 retroactive monthly supplements shall be paid.

Section 17. Section 112.358, Florida Statutes, is amended to read:

112.358 Administration of system.—The Department of Management Services ~~Division of Retirement~~ shall make such rules and regulations as are necessary for the effective and efficient administration of this act and the cost to pay the expenses of such administration is hereby appropriated out of the appropriate retirement fund.

Section 18. Paragraph (g) of subsection (2) and subsections (4), (6), and (8) of section 112.361, Florida Statutes, are amended to read:

112.361 Additional and updated supplemental retirement benefits.—

(2) DEFINITIONS.—As used in this section, unless a different meaning is required by the context:

(g) “Department” “~~Division~~” means the Department of Management Services ~~Division of Retirement~~.

(4) ELIGIBILITY FOR SUPPLEMENT.—Each retired member or, if applicable, a joint annuitant, except any person receiving survivor's benefits under the Teachers' Retirement System of the state in accordance with s. 238.07(16), shall be entitled to receive a supplement computed in accordance with subsection (5), upon:

(a) Furnishing to the department ~~division~~ evidence from the Social Security Administration setting forth the retired member's social security ben-

efit or certifying the noninsured status of the retired member under the Social Security Act, and

(b) Filing written application with the department ~~division~~ for such supplement.

(6) PAYMENT OF SUPPLEMENT.—Any supplement due and payable under this section shall be paid by the department ~~division~~ or under the direction and control of the department ~~division~~, based on information furnished by the retired member, or a joint annuitant, and the administrator of the system under which retirement benefits are being paid, beginning on the first day of the month coincident with or next following the later of:

(a) July 1, 1969, or

(b) The date of approval of the application for supplement by the department ~~division~~,

and payable thereafter on the first day of each month in the normal or optional form in which retirement benefits under the applicable system are being paid. However, no retroactive monthly supplements shall be paid for any period prior to the date specified in this paragraph.

(8) ADMINISTRATION OF SYSTEM.—The department ~~Division of Retirement~~ shall make such rules and regulations as are necessary for the effective and efficient administration of this section, and the cost to pay the expenses of such administration is hereby appropriated out of the appropriate fund pursuant to subsection (7).

Section 19. Paragraphs (a) and (b) of subsection (4) of section 112.362, Florida Statutes, are amended to read:

112.362 Recomputation of retirement benefits.—

(4)(a) Effective July 1, 1980, any person who retired prior to July 1, 1987, under a state-supported retirement system with not less than 10 years of creditable service and who is not receiving or entitled to receive federal social security benefits shall, upon reaching 65 years of age and upon application to the Department of Management Services ~~Division of Retirement~~, be entitled to receive a minimum monthly benefit equal to \$16.50 multiplied by the member's total number of years of creditable service and adjusted by the actuarial factor applied to the original benefit for optional forms of retirement. Thereafter, the minimum monthly benefit shall be recomputed as provided in paragraph (5)(a). Application for this minimum monthly benefit shall include certification by the retired member that he or she is not receiving and is not entitled to receive social security benefits and shall include written authorization for the Department of Management Services ~~Division of Retirement~~ to have access to information from the Federal Social Security Administration concerning the member's entitlement to or eligibility for social security benefits. The minimum benefit provided by this paragraph shall not be paid unless and until the application requirements of this paragraph are satisfied.

(b) Effective July 1, 1978, the surviving spouse or beneficiary who is receiving or entitled to receive a monthly benefit commencing prior to July 1, 1987, from the account of any deceased retired member who had completed at least 10 years of creditable service shall, at the time such deceased retiree would have reached age 65, if living, and, upon application to the Department of Management Services Division of Retirement, be entitled to receive the minimum monthly benefit described in paragraph (a), adjusted by the actuarial factor applied to the optional form of benefit payable to said surviving spouse or beneficiary, provided said person is not receiving or entitled to receive federal social security benefits. Application for this minimum monthly benefit shall include certification by the surviving spouse or beneficiary that he or she is not receiving and is not entitled to receive social security benefits and shall include written authorization for the Department of Management Services Division of Retirement to have access to information from the Federal Social Security Administration concerning such person's entitlement to or eligibility for social security benefits. The minimum benefit provided by this paragraph shall not be paid unless and until the application requirements of this paragraph are satisfied.

Section 20. Subsections (2), (4), (7), and (8) of section 112.363, Florida Statutes, 1998 Supplement, are amended to read:

112.363 Retiree health insurance subsidy.—

(2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—A person who is retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system, is eligible for health insurance subsidy payments provided under this section; except that pension recipients under ss. 121.40, 238.07(16)(a), and 250.22, recipients of health insurance coverage under s. 110.1232, or any other special pension or relief act shall not be eligible for such payments. Payment of the retiree health insurance subsidy shall be made only after coverage for health insurance for the retiree or beneficiary has been certified in writing to the Department of Management Services Division of Retirement. Participation in a former employer's group health insurance program is not a requirement for eligibility under this section. However, participants in the Senior Management Service Optional Annuity Program as provided in s. 121.055(6) and the State University System Optional Retirement Program as provided in s. 121.35 shall not receive the retiree health insurance subsidy provided in this section. The employer of such participant shall pay the contributions required in subsection (8) to the annuity program provided in s. 121.055(6)(d) or s. 121.35(4)(a), as applicable.

(4) PAYMENT OF RETIREE HEALTH INSURANCE SUBSIDY.—Beginning January 1, 1988, any monthly retiree health insurance subsidy amount due and payable under this section shall be paid to retired members by the Department of Management Services Division of Retirement or under the direction and control of the department division.

(7) ADMINISTRATION OF SYSTEM.—The Department of Management Services Division of Retirement may adopt such rules and regulations

as are necessary for the effective and efficient administration of this section. The cost of administration shall be appropriated from the trust fund.

(8) CONTRIBUTIONS.—For purposes of funding the insurance subsidy provided by this section:

(a) Beginning October 1, 1987, the employer of each member of a state-administered retirement plan shall contribute 0.24 percent of gross compensation each pay period.

(b) Beginning January 1, 1989, the employer of each member of a state-administered retirement plan shall contribute 0.48 percent of gross compensation each pay period.

(c) Beginning January 1, 1994, the employer of each member of a state-administered retirement plan shall contribute 0.56 percent of gross compensation each pay period.

(d) Beginning January 1, 1995, the employer of each member of a state-administered retirement plan shall contribute 0.66 percent of gross compensation each pay period.

(e) Beginning July 1, 1998, the employer of each member of a state-administered retirement plan shall contribute 0.94 percent of gross compensation each pay period.

Such contributions shall be submitted to the Department of Management Services Division of Retirement and deposited in the Retiree Health Insurance Subsidy Trust Fund.

Section 21. Subsections (2) and (4) of section 112.63, Florida Statutes, are amended to read:

112.63 Actuarial reports and statements of actuarial impact; review.—

(2) The frequency of actuarial reports must be at least every 3 years commencing from the last actuarial report of the plan or system or October 1, 1980, if no actuarial report has been issued within the 3-year period prior to October 1, 1979. The results of each actuarial report shall be filed with the plan administrator within 60 days of certification. Thereafter, the results of each actuarial report shall be made available for inspection upon request. Additionally, each retirement system or plan covered by this act which is not administered directly by the Department of Management Services Division of Retirement shall furnish a copy of each actuarial report to the Department of Management Services Division of Retirement within 60 days after receipt from the actuary. The requirements of this section are supplemental to actuarial valuations necessary to comply with the requirements of ss. 11.45 and 218.32.

(4) Upon receipt, pursuant to subsection (2), of an actuarial report, or upon receipt, pursuant to subsection (3), of a statement of actuarial impact, the Department of Management Services division shall review and comment on the actuarial valuations and statements. If the department division finds

that the actuarial valuation is not complete, accurate, or based on reasonable assumptions, or if the ~~department division~~ does not receive the actuarial report or statement of actuarial impact, the ~~department division~~ shall notify the local government and request appropriate adjustment. If, after a reasonable period of time, a satisfactory adjustment is not made, the affected local government or the ~~department division~~ may petition for a hearing under the provisions of ss. 120.569 and 120.57. If the administrative law judge recommends in favor of the ~~department division~~, the ~~department division~~ shall perform an actuarial review or prepare the statement of actuarial impact. The cost to the ~~department division~~ of performing such actuarial review or preparing such statement shall be charged to the governmental entity of which the employees are covered by the retirement system or plan. If payment of such costs is not received by the ~~department division~~ within 60 days after receipt by the governmental entity of the request for payment, the ~~department division~~ shall certify to the Comptroller the amount due, and the Comptroller shall pay such amount to the ~~department division~~ from any funds payable to the governmental entity of which the employees are covered by the retirement system or plan. If the administrative law judge recommends in favor of the local retirement system and the ~~department division~~ performs an actuarial review, the cost to the ~~department division~~ of performing the actuarial review shall be paid by the ~~department division~~.

Section 22. Subsection (1) of section 112.64, Florida Statutes, is amended to read:

112.64 Administration of funds; amortization of unfunded liability.—

(1) Employee contributions shall be deposited in the retirement system or plan at least monthly. Employer contributions shall be deposited at least quarterly; however, any revenues received from any source by an employer which are specifically collected for the purpose of allocation for deposit into a retirement system or plan shall be so deposited within 30 days of receipt by the employer. All employers and employees participating in the Florida Retirement System and other existing retirement systems which are administered by the ~~Department of Management Services Division of Retirement~~ shall continue to make contributions at least monthly.

Section 23. Subsections (1) and (3) of section 112.658, Florida Statutes, are amended to read:

112.658 Office of Program Policy Analysis and Government Accountability to determine compliance of the Florida Retirement System.—

(1) The Office of Program Policy Analysis and Government Accountability shall determine, through the examination of actuarial reviews, financial statements, and the practices and procedures of the ~~Department of Management Services Division of Retirement~~, the compliance of the Florida Retirement System with the provisions of this act.

(3) The Office of Program Policy Analysis and Government Accountability shall employ the same actuarial standards to monitor the ~~Department of Management Services Division of Retirement~~ as the ~~Department of Management Services Division of Retirement~~ uses to monitor local governments.

Section 24. Section 112.665, Florida Statutes, is amended to read:

112.665 Duties of Department of Management Services ~~Division of Retirement~~.—

(1) The Department of Management Services ~~Division of Retirement~~ shall:

(a) Gather, catalog, and maintain complete, computerized data information on all public employee retirement systems or plans in the state, based upon a review of audits, reports, and other data pertaining to the systems or plans;

(b) Receive and comment upon all actuarial reviews of retirement systems or plans maintained by units of local government;

(c) Cooperate with local retirement systems or plans on matters of mutual concern and provide technical assistance to units of local government in the assessment and revision of retirement systems or plans;

(d) Issue, by January 1 annually, a report to the President of the Senate and the Speaker of the House of Representatives, which report details division activities, findings, and recommendations concerning all governmental retirement systems. The report may include legislation proposed to carry out such recommendations;

(e) Issue, by January 1 annually, a report to the Special District Information Program of the Department of Community Affairs that includes the participation in and compliance of special districts with the local government retirement system provisions in s. 112.63 and the state-administered retirement system provisions as specified in chapter 121; and

(f) Adopt reasonable rules to administer the provisions of this part.

(2) The ~~department division~~ may subpoena actuarial witnesses, review books and records, hold hearings, and take testimony. A witness shall have the right to be accompanied by counsel.

Section 25. Subsections (4), (5), and (32) and paragraph (a) of subsection (39) of section 121.021, Florida Statutes, 1998 Supplement, are amended to read:

121.021 Definitions.—The following words and phrases as used in this chapter have the respective meanings set forth unless a different meaning is plainly required by the context:

(4) “Department” “~~Division~~” means the Department of Management Services ~~Division of Retirement~~.

(5) “Administrator” means the Secretary ~~director~~ of the Department of Management Services ~~Division of Retirement~~.

(32) “State agency” means the Department of Management Services ~~Division of Retirement~~ within the provisions and contemplation of chapter 650.

(39)(a) "Termination" occurs, except as provided in paragraph (b), when a member ceases all employment relationships with employers under this system, as defined in subsection (10), but in the event a member should be employed by any such employer within the next calendar month, termination shall be deemed not to have occurred. A leave of absence shall constitute a continuation of the employment relationship, except that a leave of absence without pay due to disability may constitute termination for a member, if such member makes application for and is approved for disability retirement in accordance with s. 121.091(4). The department ~~division~~ may require other evidence of termination as it deems necessary.

Section 26. Section 121.025, Florida Statutes, is amended to read:

121.025 Administrator; powers and duties.—The Secretary director of the Department of Management Services ~~Division of Retirement~~ shall be the administrator of the retirement and pension systems assigned or transferred to the Department of Management Services ~~Division of Retirement~~ by law and shall have the authority to sign the contracts necessary to carry out the duties and responsibilities assigned by law to the Department of Management Services ~~Division of Retirement~~.

Section 27. Section 121.027, Florida Statutes, is amended to read:

121.027 Rulemaking authority for ch. 97-180.—The Department of Management Services ~~Division of Retirement~~ shall have rulemaking authority for administering all the provisions of chapter 97-180, Laws of Florida.

Section 28. Subsections (1), (2), and (5) of section 121.031, Florida Statutes, are amended to read:

121.031 Administration of system; appropriation; oaths; actuarial studies; public records.—

(1) The Department of Management Services ~~Division of Retirement~~ shall make such rules as are necessary for the effective and efficient administration of this system. The funds to pay the expenses for such administration are hereby appropriated from the interest earned on investments made for the retirement and social security trust funds and the assessments allowed under chapter 650.

(2) The Department of Management Services ~~Division of Retirement~~ is authorized to require oaths, by affidavit or otherwise, and acknowledgments from persons in connection with the administration of its duties and responsibilities under this chapter.

(5) The names and addresses of retirees are confidential and exempt from the provisions of s. 119.07(1) to the extent that no state or local governmental agency may provide the names or addresses of such persons in aggregate, compiled, or list form to any person except to a public agency engaged in official business. However, a state or local government agency may provide the names and addresses of retirees from that agency to a bargaining agent as defined in s. 447.203(12) or to a retiree organization for official business use. Lists of names or addresses of retirees may be exchanged by public agencies, but such lists shall not be provided to, or open

for inspection by, the public. Any person may view or copy any individual's retirement records at the Department of Management Services Division of Retirement, one record at a time, or may obtain information by a separate written request for a named individual for which information is desired.

Section 29. Paragraph (c) of subsection (1) and paragraphs (b) and (f) of subsection (2) of section 121.051, Florida Statutes, 1998 Supplement, are amended to read:

121.051 Participation in the system.—

(1) COMPULSORY PARTICIPATION.—

(c)1. After June 30, 1983, a member of an existing system who is reemployed after terminating employment shall have at the time of reemployment the option of selecting to remain in the existing retirement system or to transfer to the Florida Retirement System. Failure to submit such selection in writing to the Department of Management Services Division of Retirement within 6 months of reemployment shall result in compulsory membership in the Florida Retirement System.

2. After June 30, 1988, the provisions of subparagraph 1. shall not apply to a member of an existing system who is reemployed within 12 months after terminating employment. Such member shall continue to have membership in the existing system upon reemployment and shall not be permitted to become a member of the Florida Retirement System, except by transferring to that system as provided in ss. 121.052 and 121.055.

(2) OPTIONAL PARTICIPATION.—

(b)1. The governing body of any municipality or special district in the state may elect to participate in the system upon proper application to the administrator and may cover all or any of its units as approved by the Secretary of Health and Human Services and the administrator. Prior to being approved for participation in the Florida Retirement System, the governing body of any such municipality or special district that has a local retirement system shall submit to the administrator a certified financial statement showing the condition of the local retirement system as of a date within 3 months prior to the proposed effective date of membership in the Florida Retirement System. The statement must be certified by a recognized accounting firm that is independent of the local retirement system. All required documents necessary for extending Florida Retirement System coverage must be received by the department division for consideration at least 15 days prior to the proposed effective date of coverage. If the municipality or special district does not comply with this requirement, the department division may require that the effective date of coverage be changed.

2. Any city or special district that has an existing retirement system covering the employees in the units that are to be brought under the Florida Retirement System may participate only after holding a referendum in which all employees in the affected units have the right to participate. Only those employees electing coverage under the Florida Retirement System by affirmative vote in said referendum shall be eligible for coverage under this

chapter, and those not participating or electing not to be covered by the Florida Retirement System shall remain in their present systems and shall not be eligible for coverage under this chapter. After the referendum is held, all future employees shall be compulsory members of the Florida Retirement System.

3. The governing body of any city or special district complying with subparagraph 1. may elect to provide, or not provide, benefits based on past service of officers and employees as described in s. 121.081(1). However, if such employer elects to provide past service benefits, such benefits must be provided for all officers and employees of its covered group.

4. Once this election is made and approved it may not be revoked, except pursuant to subparagraphs 5. and 6., and all present officers and employees electing coverage under this chapter and all future officers and employees shall be compulsory members of the Florida Retirement System.

5. Subject to the conditions set forth in subparagraph 6., the governing body of any hospital licensed under chapter 395 which is governed by the board of a special district as defined in s. 189.403(1) or by the board of trustees of a public health trust created under s. 154.07, hereinafter referred to as "hospital district," and which participates in the system, may elect to cease participation in the system with regard to future employees in accordance with the following procedure:

a. No more than 30 days and at least 7 days before adopting a resolution to partially withdraw from the Florida Retirement System and establish an alternative retirement plan for future employees, a public hearing must be held on the proposed withdrawal and proposed alternative plan.

b. From 7 to 15 days before such hearing, notice of intent to withdraw, specifying the time and place of the hearing, must be provided in writing to employees of the hospital district proposing partial withdrawal and must be published in a newspaper of general circulation in the area affected, as provided by ss. 50.011-50.031. Proof of publication of such notice shall be submitted to the Department of Management Services ~~Division of Retirement~~.

c. The governing body of any hospital district seeking to partially withdraw from the system must, before such hearing, have an actuarial report prepared and certified by an enrolled actuary, as defined in s. 112.625(3), illustrating the cost to the hospital district of providing, through the retirement plan that the hospital district is to adopt, benefits for new employees comparable to those provided under the Florida Retirement System.

d. Upon meeting all applicable requirements of this subparagraph, and subject to the conditions set forth in subparagraph 6., partial withdrawal from the system and adoption of the alternative retirement plan may be accomplished by resolution duly adopted by the hospital district board. The hospital district board must provide written notice of such withdrawal to the division by mailing a copy of the resolution to the division, postmarked no later than December 15, 1995. The withdrawal shall take effect January 1, 1996.

6. Following the adoption of a resolution under sub-subparagraph 5.d., all employees of the withdrawing hospital district who were participants in the Florida Retirement System prior to January 1, 1996, shall remain as participants in the system for as long as they are employees of the hospital district, and all rights, duties, and obligations between the hospital district, the system, and the employees shall remain in full force and effect. Any employee who is hired or appointed on or after January 1, 1996, may not participate in the Florida Retirement System, and the withdrawing hospital district shall have no obligation to the system with respect to such employees.

(f) Whenever an employer that participates in the Florida Retirement System undertakes the transfer, merger, or consolidation of governmental services or functions, the employer must notify the department division at least 60 days prior to such action and shall provide documentation as required by the department division.

Section 30. Subsection (2) of section 121.0511, Florida Statutes, is amended to read:

121.0511 Revocation of election and alternative plan.—The governing body of any municipality or independent special district that has elected to participate in the Florida Retirement System may revoke its election in accordance with the following procedure:

(2) At least 7 days, but not more than 15 days, before the hearing, notice of intent to revoke, specifying the time and place of the hearing, must be published in a newspaper of general circulation in the area affected, as provided by ss. 50.011-50.031. Proof of publication of the notice must be submitted to the Department of Management Services Division of Retirement.

Section 31. Paragraph (a) of subsection (3), subsection (4), and paragraph (c) of subsection (7) of section 121.0515, Florida Statutes, 1998 Supplement, are amended to read:

121.0515 Special risk membership; criteria; designation and removal of classification; credits for past service and prior service; retention of special risk normal retirement date.—

(3) PROCEDURE FOR DESIGNATING.—

(a) Any member of the Florida Retirement System employed by a county, city, or special district who feels that he or she meets the criteria set forth in this section for membership in the Special Risk Class may request that his or her employer submit an application to the department division requesting that the department division designate him or her as a special risk member. If the employer agrees that the member meets the requirements for special risk membership, the employer shall submit an application to the department division in behalf of the employee containing a certification that the member meets the criteria for special risk membership set forth in this section and such other supporting documentation as may be required by administrative rule. The department division shall, within 90 days, either

designate or refuse to designate the member as a special risk member. If the employer declines to submit the member's application to the department division or if the department division does not designate the member as a special risk member, the member or the employer may appeal to the State Retirement Commission, as provided in s. 121.23, for designation as a special risk member. A member who receives a final affirmative ruling pursuant to such appeal for special risk membership shall have special risk membership retroactive to the date such member would have had special risk membership had such membership been approved by the employer and the department division, as determined by the department division, and the employer contributions shall be paid in full within 1 year after such final ruling.

(4) REMOVAL OF SPECIAL RISK MEMBERSHIP.—Any member who is a special risk member on October 1, 1978, and who fails to meet the criteria for special risk membership established by this section shall have his or her special risk designation removed and thereafter shall be a regular member and shall earn only regular membership credit. The department division shall have the authority to review the special risk designation of members to determine whether or not those members continue to meet the criteria for special risk membership.

(7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT DATE.—

(c) The department division shall adopt such rules as are required to administer this subsection.

Section 32. Paragraph (e) of subsection (3) of section 121.052, Florida Statutes, 1998 Supplement, is amended to read:

121.052 Membership class of elected officers.—

(3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July 1, 1990, participation in the Elected State and County Officers' Class shall be compulsory for elected officers listed in paragraphs (2)(a)-(d) and (f) assuming office on or after said date, unless the elected officer elects membership in another class or withdraws from the Florida Retirement System as provided in paragraphs (3)(a)-(d):

(e) Effective July 1, 1997, the governing body of a municipality or special district may, by majority vote, elect to designate all its elected positions for inclusion in the Elected State and County Officers' Class. Such election shall be made between July 1, 1997, and December 31, 1997, and shall be irrevocable. The designation of such positions shall be effective the first day of the month following receipt by the department division of the ordinance or resolution passed by the governing body.

Section 33. Paragraph (d) is added to subsection (5) of section 121.052, Florida Statutes, 1998 Supplement, and subsection (8) and paragraphs (b) and (c) of subsection (12) of that section are amended, to read:

121.052 Membership class of elected officers.—

(5) UPGRADED SERVICE; PURCHASE OF ADDITIONAL CREDIT.—

(d) Any member of the Florida Retirement System who serves as the elected mayor of a consolidated local government, which government by its charter has chosen status as a municipality rather than a county government for purposes of the state retirement system administered under this chapter, may elect membership in the Elected State and County Officers' Class established by this section for the duration of the term of office. Any such mayor or former mayor shall be eligible for membership in this class for the term of office, provided the member or the local government employer pays the retirement contributions that would have been paid had actual participation commenced at that time, plus interest at 6.5 percent compounded each June 30 from date of participation until date of payment. No retirement credit will be allowed under this subsection for any such service which is used to obtain a benefit under any local retirement system.

Section 34. Paragraphs (b) and (h) of subsection (1) and paragraphs (d) and (f) of subsection (6) of section 121.055, Florida Statutes, 1998 Supplement, are amended to read:

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

(1)

(b)1. Except as provided in subparagraph 2., effective January 1, 1990, participation in the Senior Management Service Class shall be compulsory for the president of each community college, the manager of each participating city or county, and all appointed district school superintendents. Effective January 1, 1994, additional positions may be designated for inclusion in the Senior Management Service Class of the Florida Retirement System, provided that:

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

b. One nonelective full-time position may be designated for each local agency employer reporting to the Department of Management Services Division of Retirement; for local agencies with 100 or more regularly established positions, additional nonelective full-time positions may be designated, not to exceed 1 percent of the regularly established positions within the agency.

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

(I) Heads an organizational unit; or

(II) Has responsibility to effect or recommend personnel, budget, expenditure, or policy decisions in his or her areas of responsibility.

2. In lieu of participation in the Senior Management Service Class, members of the Senior Management Service Class pursuant to the provisions of subparagraph 1. may withdraw from the Florida Retirement System altogether and participate in a lifetime monthly annuity program which may be provided by the employing agency. The cost to the employer for such annuity shall equal the normal cost portion of the contributions required in the Senior Management Service Class. The employer providing such annuity shall contribute an additional amount to the Florida Retirement System Trust Fund equal to the unfunded actuarial accrued liability portion of the Senior Management Service Class contribution rate. The decision to participate in such local government annuity shall be irrevocable for as long as the employee holds a position eligible for the annuity. Any service creditable under the Senior Management Service Class shall be retained after the member withdraws from the Florida Retirement System; however, additional service credit in the Senior Management Service Class shall not be earned after such withdrawal. Such members shall not be eligible to participate in the Senior Management Service Optional Annuity Program.

(h)1. Except as provided in subparagraph 3., effective January 1, 1994, participation in the Senior Management Service Class shall be compulsory for the State Courts Administrator and the Deputy State Courts Administrators, the Clerk of the Supreme Court, the Marshal of the Supreme Court, the Executive Director of the Justice Administrative Commission, the Capital Collateral Representative, the clerks of the district courts of appeals, the marshals of the district courts of appeals, and the trial court administrator in each judicial circuit. Effective January 1, 1994, additional positions in the offices of the state attorney and public defender in each judicial circuit may be designated for inclusion in the Senior Management Service Class of the Florida Retirement System, provided that:

a. Positions to be included in the class shall be designated by the state attorney or public defender, as appropriate. Notice of intent to designate positions for inclusion in the class shall be published once a week for 2 consecutive weeks in a newspaper of general circulation published in the county or counties affected, as provided in chapter 50.

b. One nonelective full-time position may be designated for each state attorney and public defender reporting to the Department of Management Services Division of Retirement; for agencies with 200 or more regularly established positions under the state attorney or public defender, additional nonelective full-time positions may be designated, not to exceed 0.5 percent of the regularly established positions within the agency.

c. Each position added to the class must be a managerial or policymaking position filled by an employee who serves at the pleasure of the state attorney or public defender without civil service protection, and who:

(I) Heads an organizational unit; or

(II) Has responsibility to effect or recommend personnel, budget, expenditure, or policy decisions in his or her areas of responsibility.

2. Participation in this class shall be compulsory, except as provided in subparagraph 3., for any judicial employee who holds a position designated for coverage in the Senior Management Service Class and such participation shall continue until the employee terminates employment in a covered position.

3. In lieu of participation in the Senior Management Service Class, such members may participate in the Senior Management Service Optional Annuity Program as established in subsection (6).

(6)

(d) Contributions.—

1. Each employer shall contribute on behalf of each participant in the Senior Management Service Optional Annuity Program an amount equal to the normal cost portion of the employer retirement contribution which would be required if the participant were a Senior Management Service Class member of the Florida Retirement System, plus the portion of the contribution rate required in s. 112.363(8) that would otherwise be assigned to the Retiree Health Insurance Subsidy Trust Fund, less an amount approved by the Legislature which shall be deducted by the department division to provide for the administration of this program. The payment of the contributions to the optional program which is required by this subparagraph for each participant shall be made by the employer to the department division which shall forward the contributions to the designated company or companies contracting for payment of benefits for the participant under the program.

2. Each employer shall contribute on behalf of each participant in the Senior Management Service Optional Annuity Program an amount equal to the unfunded actuarial accrued liability portion of the employer contribution which would be required for members of the Senior Management Service Class in the Florida Retirement System. This contribution shall be paid to the department division for transfer to the Florida Retirement System Trust Fund.

3. An Optional Annuity Program Trust Fund shall be established in the State Treasury and administered by the department division to make payments to provider companies on behalf of the optional annuity program participants, and to transfer the unfunded liability portion of the state optional annuity program contributions to the Florida Retirement System Trust Fund.

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

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

(f) Administration.—

1. The Senior Management Service Optional Annuity Program authorized by this section shall be administered by the department ~~Division of Retirement~~. The department ~~division~~ shall designate one or more provider companies from which annuity contracts may be purchased under the program and shall approve the form and content of the contracts. The department ~~division~~ shall sign a contract with each of the provider companies and shall evaluate the performance of the provider companies on a continuing basis. The department ~~division~~ may terminate the services of a provider company for reasons stated in the contract. The department ~~division~~ shall adopt rules establishing its responsibilities and the responsibilities of employers in administering the optional annuity program.

2. Effective July 1, 1997, the State Board of Administration shall review and make recommendations to the department ~~division~~ on the acceptability of all investment products proposed by provider companies of the optional annuity program before such products are offered through annuity contracts to the participants and may advise the department ~~division~~ of any changes deemed necessary to ensure that the optional annuity program offers an acceptable mix of investment products. The department ~~division~~ shall make the final determination as to whether an investment product will be approved for the program.

3. The provisions of each contract applicable to a participant in the Senior Management Service Optional Annuity Program shall be contained in a written program description which shall include a report of pertinent financial and actuarial information on the solvency and actuarial soundness of the program and the benefits applicable to the participant. Such description shall be furnished by the company or companies to each participant in the program and to the department ~~division~~ upon commencement of participation in the program and annually thereafter.

4. The department ~~division~~ shall ensure that each participant in the Senior Management Service Optional Annuity Program is provided an accounting of the total contribution and the annual contribution made by and on behalf of such participants.

Section 35. Subsection (5) of section 121.071, Florida Statutes, 1998 Supplement, is amended to read:

121.071 Contributions.—Contributions to the system shall be made as follows:

(5) Contributions made in accordance with subsections (1), (2), (3), and (4) shall be paid by the employer into the system trust funds in accordance with rules adopted by the administrator pursuant to chapter 120. Such contributions are due and payable no later than the 25th day of the month immediately following the month during which the payroll period ended. The ~~department division~~ may, by rule, establish a different due date, which shall supersede the date specified herein; however, such due date may not be established earlier than the 20th day of the month immediately following the month during which the payroll period ended. Effective January 1, 1984, contributions made in accordance with subsection (3) shall be paid by the employer into the system trust fund in accordance with rules adopted by the administrator pursuant to chapter 120. For any payroll period ending any day of the month before the 16th day of the month, such contributions are due and payable no later than the 20th day of the month; and, for any payroll periods ending any day of the month after the 15th day of the month, such contributions are due and payable no later than the 5th day of the next month. Contributions received in the offices of the ~~department Division of Retirement~~ after the prescribed date shall be considered delinquent unless, in the opinion of the ~~department division~~, exceptional circumstances beyond an employer's control prevented remittance by the prescribed due date notwithstanding such employer's good faith efforts to effect delivery; and, with respect to retirement contributions due under subsections (1) and (4), each employer shall be assessed a delinquent fee of 1 percent of the contributions due for each calendar month or part thereof that the contributions are delinquent. Such a waiver of the delinquency fee by the ~~department division~~ may be granted an employer only one time each fiscal year. Delinquent social security contributions shall be assessed a delinquent fee as authorized by s. 650.05(4). The delinquent fee assessable for an employer's first delinquency after July 1, 1984, shall be as specified in s. 650.05(4), and, beginning with the second delinquency in any fiscal year by the employer subsequent to July 1, 1984, all subsequent delinquency fees shall be assessed against the employer at twice the applicable percentage rate specified in s. 650.05(4).

Section 36. Paragraph (h) of subsection (1) and paragraph (e) of subsection (2) of section 121.081, Florida Statutes, 1998 Supplement, are amended to read:

121.081 Past service; prior service; contributions.—Conditions under which past service or prior service may be claimed and credited are:

(1)

(h) The following provisions apply to the purchase of past service:

1. Notwithstanding any of the provisions of this subsection, past-service credit may not be purchased under this chapter for any service that is used to obtain a benefit from any local retirement system.

2. A member may not receive past service credit under paragraphs (a), (b), (e), or (f) for any leaves of absence without pay, except that credit for active military service leaves of absence may be claimed under paragraphs (a), (b), and (f), in accordance with s. 121.111(1).

3. If a member does not desire to receive credit for all of his or her past service, the period the member claims must be the most recent past service prior to his or her participation in the Florida Retirement System.

4. The cost of past service purchased by an employing agency for its employees may be amortized over such period of time as is provided in the agreement, but not to exceed 15 years, calculated in accordance with rule 60S-1.007(5)(f), Florida Administrative Code.

5. The retirement account of each member for whom past service is being provided by his or her employer shall be credited with all past service the employer agrees to purchase as soon as the agreement between the employer and the department ~~division~~ is executed. Pursuant thereto:

a. Each such member's account shall also be posted with the total contribution his or her employer agrees to make in the member's behalf for past service earned prior to October 1, 1975, excluding those contributions representing the employer's matching share and the compound interest calculation on the total contribution. However, a portion of any contributions paid by an employer for past service credit earned on and after October 1, 1975, may not be posted to a member's account.

b. A refund of contributions payable after an employer has made a written agreement to purchase past service for employees of the covered group shall include contributions for past service which are posted to a member's account. However, contributions for past service earned on and after October 1, 1975, are not refundable.

(2) Prior service, as defined in s. 121.021(19), may be claimed as creditable service under the Florida Retirement System after a member has been reemployed for 12 continuous months, except as provided in paragraph (c). Service performed as a participant of the optional retirement program for the State University System under s. 121.35 or the Senior Management Service Optional Annuity Program under s. 121.055 may be used to satisfy the 12-continuous-month requirement. The member shall not be permitted to make any contributions for prior service until after the 12-month period. The required contributions for claiming the various types of prior service are:

(e) For service performed under the Florida Retirement System after December 1, 1970, that was never reported to the division or the department due to error, retirement credit may be claimed by a member of the Florida Retirement System. The department ~~division~~ shall adopt rules establishing criteria for claiming such credit and detailing the documentation required to substantiate the error.

Section 37. Paragraph (b) of subsection (14) of section 121.091, Florida Statutes, 1998 Supplement, is amended to read:

121.091 Benefits payable under the system.—Benefits may not be paid under this section unless the member has terminated employment as provided in s. 121.021(39)(a) or begun participation in the Deferred Retirement Option Program as provided in subsection (13), and a proper application has

been filed in the manner prescribed by the department division. The department division may cancel an application for retirement benefits when the member or beneficiary fails to timely provide the information and documents required by this chapter and the department's division's rules. The department division shall adopt rules establishing procedures for application for retirement benefits and for the cancellation of such application when the required information or documents are not received.

(14) PAYMENT OF BENEFITS.—This subsection applies to the payment of benefits to a payee (retiree or beneficiary) under the Florida Retirement System:

(b) Subject to approval by the division in accordance with rule 60S-4.015, Florida Administrative Code, a payee receiving retirement benefits under the Florida Retirement System may also have the following payments deducted from his or her monthly benefit:

1. Premiums for life and health-related insurance policies from approved companies.
2. Life insurance premiums for the State Group Life Insurance Plan, if authorized in writing by the payee and by the Department of Management Services Division of State Group Insurance.
3. Repayment of overpayments from the Florida Retirement System Trust Fund, the State Employees' Health Insurance Trust Fund, or the State Employees' Life Insurance Trust Fund, upon notification of the payee.
4. Payments to an alternate payee for alimony, child support, or division of marital assets pursuant to a qualified domestic relations order under s. 222.21 or an income deduction order under s. 61.1301.
5. Payments to the Internal Revenue Service for federal income tax levies, upon notification of the division by the Internal Revenue Service.

Section 38. Paragraph (b) of subsection (7) of section 121.101, Florida Statutes, is amended to read:

121.101 Cost-of-living adjustment of benefits.—

(7) The purpose of this subsection is to establish a supplemental cost-of-living adjustment for certain retirees and beneficiaries who receive monthly retirement benefits under the provisions of this chapter and the existing systems consolidated therein, s. 112.05 for certain state officers and employees, and s. 238.171 for certain elderly incapacitated teachers.

(b) Application for the supplemental cost-of-living adjustment provided by this subsection shall include certification by the retiree or annuitant that he or she is not receiving, and is not eligible to receive, social security benefits and shall include written authorization for the department division to have access to information from the Social Security Administration concerning his or her entitlement to, or eligibility for, social security benefits. Such supplemental cost-of-living adjustment shall not be paid unless and until the application requirements of this paragraph are met.

Section 39. Paragraph (e) of subsection (2) of section 121.111, Florida Statutes, 1998 Supplement, is amended to read:

121.111 Credit for military service.—

(2) Any member whose initial date of employment is before January 1, 1987, who has military service as defined in s. 121.021(20)(b), and who does not claim such service under subsection (1) may receive creditable service for such military service if:

(e) Any member claiming credit under this subsection must certify on the form prescribed by the ~~department division~~ that credit for such service has not and will not be claimed for retirement purposes under any other federal, state, or local retirement or pension system where “length of service” is a factor in determining the amount of compensation received, except where credit for such service has been granted in a pension system providing retired pay for nonregular service as provided in paragraph (d). If the member dies prior to retirement, the member’s beneficiary must make the required certification before credit may be claimed. If such certification is not made by the member or the member’s beneficiary, credit for wartime military service shall not be allowed.

Section 40. Section 121.133, Florida Statutes, 1998 Supplement, is amended to read:

121.133 Cancellation of uncashed warrants.—Notwithstanding the provisions of s. 17.26 or s. 717.123 to the contrary, effective July 1, 1998, if any state warrant issued by the Comptroller for the payment of retirement benefits from the Florida Retirement System Trust Fund, or any other pension trust fund administered by the ~~department division~~, is not presented for payment within 1 year after the last day of the month in which it was originally issued, the Comptroller shall cancel the benefit warrant and credit the amount of the warrant to the Florida Retirement System Trust Fund or other pension trust fund administered by the ~~department division~~, as appropriate. The ~~department Division of Retirement~~ may provide for issuance of a replacement warrant when deemed appropriate.

Section 41. Section 121.135, Florida Statutes, is amended to read:

121.135 Annual report to Legislature concerning state-administered retirement systems.—The ~~department Division of Retirement~~ shall make to each regular session of the Legislature a written report on the operation and condition of the state-administered retirement systems.

Section 42. Section 121.136, Florida Statutes, is amended to read:

121.136 Annual benefit statement to members.—Beginning January 1, 1993, and each January thereafter, the ~~department Division of Retirement~~ shall provide each active member of the Florida Retirement System with 5 or more years of creditable service an annual statement of benefits. Such statement should provide the member with basic data about the member’s retirement account. Minimally, it shall include the member’s retirement plan, the amount of funds on deposit in the retirement account, and an estimate of retirement benefits.

Section 43. Section 121.1815, Florida Statutes, is amended to read:

121.1815 Special pensions to individuals; administration of laws by Department of Management Services ~~Division of Retirement~~.—All powers, duties, and functions related to the administration of laws providing special pensions to individuals, including chapter 18054, Laws of Florida, 1937; chapter 26788, Laws of Florida, 1951, as amended by chapter 57-871, Laws of Florida; chapter 26836, Laws of Florida, 1951; and chapter 63-953, Laws of Florida, are vested in the department ~~Division of Retirement~~. All laws hereinafter enacted by the Legislature pertaining to special pensions for individuals shall be administered by the department ~~said division~~, unless contrary provisions are contained in such law. Upon the death of any person receiving a monthly pension under this section, the monthly pension shall be paid through the last day of the month of death and shall terminate on that date, unless contrary provisions are contained in the special pension law.

Section 44. Section 121.1905, Florida Statutes, is amended to read:

121.1905 Division of Retirement; creation.—

(1) There is created the Division of Retirement within the Department of Management Services, ~~to be headed by a director who shall be appointed by the Governor and confirmed by the Senate. The division shall be a separate budget entity, and the director shall be its agency head for all purposes. The Department of Management Services shall provide administrative support and service to the division to the extent requested by the director. The division shall not be subject to control, supervision, or direction by the Department of Management Services in any manner, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters, except to the extent as provided in chapters 110, 216, 255, 282, and 287 for agencies of the executive branch.~~

(2) The mission of the Division of Retirement is to provide quality and cost-effective retirement services as measured by member satisfaction and by comparison with administrative costs of comparable retirement systems.

Section 45. Section 121.192, Florida Statutes, is amended to read:

121.192 State retirement actuary.—The department ~~Division of Retirement~~ may employ an actuary. Such actuary shall, together with such other duties as the secretary ~~director of retirement~~ may assign, be responsible for:

(1) Advising the secretary ~~director of retirement~~ on actuarial matters of the state retirement systems.

(2) Making periodic valuations of the retirement systems.

(3) Providing actuarial analyses to the Legislature concerning proposed changes in the retirement systems.

(4) Assisting the secretary ~~director of retirement~~ in developing a sound and modern retirement system.

Section 46. Section 121.193, Florida Statutes, 1998 Supplement, is amended to read:

121.193 External compliance audits.—

(1) The department ~~division~~ shall conduct audits of the payroll and personnel records of participating agencies. These audits shall be made to determine the accuracy of reports submitted to the department ~~division~~ and to assess the degree of compliance with applicable statutes, rules, and coverage agreements. Audits shall be scheduled on a regular basis, as the result of concerns known to exist at an agency, or as a followup to ensure agency action was taken to correct deficiencies found in an earlier audit.

(2) Upon request, participating agencies shall furnish the department ~~division~~ with information and documents that the department ~~division~~ requires to conduct the audit. The department ~~division~~ may prescribe by rule the documents that may be requested.

(3) The department ~~division~~ shall review the agency's operations concerning retirement and social security coverage. Preliminary findings shall be discussed with agency personnel at the close of the audit. An audit report of findings and recommendations shall be submitted to department ~~division~~ management and an audit summary letter shall be submitted to the agency noting any concerns and necessary corrective action.

Section 47. Subsection (1) of section 121.22, Florida Statutes, is amended to read:

121.22 State Retirement Commission; creation; membership; compensation.—

(1) There is created within the Department of Management Services ~~Division of Retirement~~ a State Retirement Commission composed of seven members: One member who is retired under a state-supported retirement system administered by the department ~~Division of Retirement~~; two members from different occupational backgrounds who are active members in a state-supported retirement system that which is administered by the department ~~Division of Retirement~~; and four members who are not retirees, beneficiaries, or members of a state-supported retirement system that which is administered by the department ~~Division of Retirement~~.

Section 48. Subsection (1) of section 121.23, Florida Statutes, is amended to read:

121.23 Disability retirement and special risk membership applications; Retirement Commission; powers and duties; judicial review.—The provisions of this section apply to all proceedings in which the administrator has made a written final decision on the merits respecting applications for disability retirement, reexamination of retired members receiving disability benefits, applications for special risk membership, and reexamination of special risk members in the Florida Retirement System. The jurisdiction of the State Retirement Commission under this section shall be limited to written final decisions of the administrator on the merits.

(1) In accordance with the rules of procedure adopted by the Department of Management Services ~~Division of Retirement~~, the administrator shall:

(a) Give reasonable notice of his or her proposed action, or decision to refuse action, together with a summary of the factual, legal, and policy grounds therefor.

(b) Give affected members, or their counsel, an opportunity to present to the division written evidence in opposition to the proposed action or refusal to act or a written statement challenging the grounds upon which the administrator has chosen to justify his or her action or inaction.

(c) If the objections of the member are overruled, provide a written explanation within 21 days.

Section 49. Subsections (2), (3), and (4) of section 121.24, Florida Statutes, are amended to read:

121.24 Conduct of commission business; legal and other assistance; compensation.—

(2) Legal counsel for the commission may be provided by the Department of Legal Affairs or by the Department of Management Services ~~Division of Retirement~~, with the concurrence of the commission, and shall be paid by the Department of Management Services ~~Division of Retirement~~ from the appropriate funds.

(3) The Department of Management Services ~~Division of Retirement~~ shall provide timely and appropriate training for newly appointed members of the commission. Such training shall be designed to acquaint new members of the commission with the duties and responsibilities of the commission.

(4) The Department of Management Services ~~Division of Retirement~~ shall furnish administrative and secretarial assistance to the commission and shall provide a place where the commission may hold its meetings.

Section 50. Subsection (9) of section 121.30, Florida Statutes, 1998 Supplement, is amended to read:

121.30 Statements of purpose and intent and other provisions required for qualification under the Internal Revenue Code of the United States.— Any other provisions in this chapter to the contrary notwithstanding, it is specifically provided that:

(9) The ~~department division~~ may adopt any rule necessary to accomplish the purpose of the section which is not inconsistent with this chapter.

Section 51. Subsection (1), paragraphs (a) and (c) of subsection (2), paragraphs (c) and (e) of subsection (3), paragraphs (a), (b), and (c) of subsection (4), and subsection (6) of section 121.35, Florida Statutes, 1998 Supplement, are amended to read:

121.35 Optional retirement program for the State University System.—

(1) OPTIONAL RETIREMENT PROGRAM ESTABLISHED.—The Department of Management Services ~~Division of Retirement~~ shall establish an optional retirement program under which contracts providing retirement and death benefits may be purchased for eligible members of the State University System who elect to participate in the program. The benefits to be provided for or on behalf of participants in such optional retirement program shall be provided through individual contracts or individual certificates issued for group annuity contracts, which may be fixed, variable, or a combination thereof, in accordance with s. 403(b) of the Internal Revenue Code. Any individual contract or certificate shall state the annuity plan on its face page, and shall include, but not be limited to, a statement of ownership, the contract benefits, annuity income options, limitations, expense charges, and surrender charges, if any. The state shall contribute, as provided in this section, toward the purchase of such optional benefits.

(2) ELIGIBILITY FOR PARTICIPATION IN OPTIONAL PROGRAM.—

(a) Participation in the optional retirement program provided by this section shall be limited to persons who are otherwise eligible for membership in the Florida Retirement System; who are employed or appointed for no less than one academic year; and who are employed in one of the following State University System positions:

1. Positions classified as instructional and research faculty which are exempt from the career service under the provisions of s. 110.205(2)(d).

2. Positions classified as administrative and professional which are exempt from the career service under the provisions of s. 110.205(2)(d), provided that only those positions that are included in the State University System Executive Service, or those which the department ~~division~~ determines meet the following criteria, shall be eligible to participate: The duties and responsibilities of the position shall include either the formulation, interpretation, or implementation of academic policies, or the performance of functions which are unique or specialized within higher education and which frequently involve the support of the academic mission of the university; and recruiting to fill vacancies in the position shall be conducted within the national or regional market. The employer shall submit an application, including a certification that the position meets the criteria for eligibility, to the department ~~division~~ for each administrative and professional position not in the Executive Service for which it seeks eligibility for the optional retirement program.

3. The Chancellor and the university presidents.

(c) For purposes of this section, the Department of Management Services ~~Division of Retirement~~ is referred to as the “department.” ~~“division.”~~

(3) ELECTION OF OPTIONAL PROGRAM.—

(c) Any employee who becomes eligible to participate in the optional retirement program on or after January 1, 1993, shall be a compulsory

participant of the program unless such employee elects membership in the Florida Retirement System. Such election shall be made in writing and filed with the personnel officer of the employer. Any eligible employee who fails to make such election within the prescribed time period shall be deemed to have elected to participate in the optional retirement program.

1. Any employee whose optional retirement program eligibility results from initial employment shall be enrolled in the program at the commencement of employment. If, within 90 days after commencement of employment, the employee elects membership in the Florida Retirement System, such membership shall be effective retroactive to the date of commencement of employment.

2. Any employee whose optional retirement program eligibility results from a change in status due to the subsequent designation of the employee's position as one of those specified in paragraph (2)(a) or due to the employee's appointment, promotion, transfer, or reclassification to a position specified in paragraph (2)(a) shall be enrolled in the optional retirement program upon such change in status and shall be notified by the employer of such action. If, within 90 days after the date of such notification, the employee elects to retain membership in the Florida Retirement System, such continuation of membership shall be retroactive to the date of the change in status.

3. Notwithstanding the provisions of this paragraph, effective July 1, 1997, any employee who is eligible to participate in the Optional Retirement Program and who fails to execute an annuity contract with one of the approved companies and to notify the ~~department division~~ in writing as provided in subsection (4) within 90 days of the date of eligibility shall be deemed to have elected membership in the Florida Retirement System, except as provided in s. 121.051(1)(a). This provision shall also apply to any employee who terminates employment in an eligible position before executing the required annuity contract and notifying the ~~department division~~. Such membership shall be retroactive to the date of eligibility, and all appropriate contributions shall be transferred to the Florida Retirement System Trust Fund and the Health Insurance Subsidy Trust Fund.

(e) The election by an eligible employee to participate in the optional retirement program shall be irrevocable for so long as the employee continues to meet the eligibility requirements specified in subsection (2), except as provided in paragraph (h). In the event that an employee participates in the optional retirement program for 90 days or more and is subsequently employed in an administrative or professional position which has been determined by the ~~department division~~, under subparagraph (2)(a)2., to be not otherwise eligible for participation in the optional retirement program, the employee shall continue participation in the optional program so long as the employee meets the other eligibility requirements for the program, except as provided in paragraph (h).

(4) CONTRIBUTIONS.—

(a) Each employer shall contribute on behalf of each participant in the optional retirement program an amount equal to the normal cost portion of

the employer retirement contribution which would be required if the participant were a regular member of the Florida Retirement System, plus the portion of the contribution rate required in s. 112.363(8) that would otherwise be assigned to the Retiree Health Insurance Subsidy Trust Fund, less an amount approved by the Legislature which shall be deducted by the department division to provide for the administration of this program. The payment of the contributions to the optional program which is required by this paragraph for each participant shall be made by the employer to the department division, which shall forward the contributions to the designated company or companies contracting for payment of benefits for the participant under the program. However, such contributions paid on behalf of an employee described in paragraph (3)(c) shall not be forwarded to a company and shall not begin to accrue interest until the employee has executed an annuity contract and notified the department division.

(b) Each employer shall contribute on behalf of each participant in the optional retirement program an amount equal to the unfunded actuarial accrued liability portion of the employer contribution which would be required for members of the Florida Retirement System. This contribution shall be paid to the department division for transfer to the Florida Retirement System Trust Fund.

(c) An Optional Retirement Program Trust Fund shall be established in the State Treasury and administered by the department Division of Retirement to make payments to the provider companies on behalf of the optional retirement program participants, and to transfer the unfunded liability portion of the state optional retirement program contributions to the Florida Retirement System Trust Fund.

(6) ADMINISTRATION OF PROGRAM.—

(a) The optional retirement program authorized by this section shall be administered by the department division. The department division shall adopt rules establishing the responsibilities of the Board of Regents and institutions in the State University System in administering the optional retirement program. The Board of Regents shall, no more than 90 days after July 1, 1983, submit to the department division its recommendations for the annuity contracts to be offered by the companies chosen by the department division. The recommendations of the board shall include the following:

1. The nature and extent of the rights and benefits in relation to the required contributions; and

2. The suitability of the rights and benefits to the needs of the participants and the interests of the institutions in the recruitment and retention of eligible employees.

(b) After receiving and considering the recommendations of the Board of Regents, the department division shall designate no more than four companies from which annuity contracts may be purchased under the program and shall approve the form and content of the optional retirement program contracts. Upon application by a qualified Florida domestic company, the department division shall give reasonable notice to all other such companies

that it intends to designate one of such companies as a fifth company from which annuity contracts may be purchased pursuant to this section and that they may apply for such designation prior to the deadline established by said notice. At least 60 days after giving such notice and upon receipt of the recommendation of the Board of Regents, the department ~~division~~ shall so designate one of such companies as the fifth company from which such contracts may be purchased.

(c) Effective July 1, 1997, the State Board of Administration shall review and make recommendations to the department ~~division~~ on the acceptability of all investment products proposed by provider companies of the optional retirement program before they are offered through annuity contracts to the participants and may advise the department ~~division~~ of any changes necessary to ensure that the optional retirement program offers an acceptable mix of investment products. The department ~~division~~ shall make the final determination as to whether an investment product will be approved for the program.

(d) The provisions of each contract applicable to a participant in the optional retirement program shall be contained in a written program description which shall include a report of pertinent financial and actuarial information on the solvency and actuarial soundness of the program and the benefits applicable to the participant. Such description shall be furnished by the companies to each participant in the program and to the department ~~division~~ upon commencement of participation in the program and annually thereafter.

(e) The department ~~division~~ shall ensure that each participant in the optional retirement program is provided an accounting of the total contribution and the annual contribution made by and on behalf of such participant.

Section 52. Paragraph (b) of subsection (3), paragraph (b) of subsection (11), and paragraphs (a) and (b) of subsection (14) of section 121.40, Florida Statutes, 1998 Supplement, are amended to read:

121.40 Cooperative extension personnel at the Institute of Food and Agricultural Sciences; supplemental retirement benefits.—

(3) DEFINITIONS.—The definitions provided in s. 121.021 shall not apply to this section except when specifically cited. For the purposes of this section, the following words or phrases have the respective meanings set forth:

(b) “Department” “~~Division~~” means the Department of Management Services ~~Division of Retirement~~.

(11) EMPLOYMENT AFTER RETIREMENT: LIMITATION.—

(b) Each person to whom the limitation in paragraph (a) applies who violates such reemployment limitation and who is reemployed with any agency participating in the Florida Retirement System prior to completion of the 12-month limitation period shall give timely notice of this fact in writing to the employer and to the department ~~division~~ and shall have his

or her supplemental retirement benefits suspended for the balance of the 12-month limitation period. Any person employed in violation of this subsection and any employing agency which knowingly employs or appoints such person without notifying the department ~~Division of Retirement~~ to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any supplemental retirement benefits received while reemployed during this reemployment limitation period shall be repaid to the trust fund, and supplemental retirement benefits shall remain suspended until such repayment has been made. Supplemental benefits suspended beyond the reemployment limitation shall apply toward repayment of supplemental benefits received in violation of the reemployment limitation.

(14) ADMINISTRATION OF SYSTEM.—

(a) The department ~~division~~ shall make such rules as are necessary for the effective and efficient administration of this system. The secretary ~~director~~ of the department ~~division~~ shall be the administrator of the system. The funds to pay the expenses for such administration shall be appropriated from the interest earned on investments made for the trust fund.

(b) The department ~~division~~ is authorized to require oaths, by affidavit or otherwise, and acknowledgments from persons in connection with the administration of its duties and responsibilities under this section.

Section 53. Subsection (3) of section 121.45, Florida Statutes, is amended to read:

121.45 Interstate compacts relating to pension portability.—

(3) ESTABLISHMENT OF COMPACTS.—

(a) The Department of Management Services ~~Division of Retirement~~ is authorized and directed to survey other state retirement systems to determine if such retirement systems are interested in developing an interstate compact with Florida.

(b) If any such state is interested in pursuing the matter, the department ~~division~~ shall confer with the other state and the consulting actuaries of both states, and shall present its findings to the committees having jurisdiction over retirement matters in the Legislature, and to representatives of affected certified bargaining units, in order to determine the feasibility of developing a portability compact, what groups should be covered, and the goals and priorities which should guide such development.

(c) Upon a determination that such a compact is feasible and upon request of the Legislature, the department ~~division~~, together with its consulting actuaries, shall, in accordance with said goals and priorities, develop a proposal under which retirement credit may be transferred to or from Florida in an actuarially sound manner.

(d) Once a proposal has been developed, the department ~~division~~ shall contract with its consulting actuaries to conduct an actuarial study of the proposal to determine the cost to the Florida Retirement System Trust Fund and the State of Florida.

(e) After the actuarial study has been completed, the department ~~division~~ shall present its findings and the actuarial study to the Legislature for consideration. If either house of the Legislature elects to enter into such a compact, it shall be introduced in the form of a proposed committee bill to the full Legislature during the same or next regular session.

Section 54. Subsections (1) and (6) of section 122.02, Florida Statutes, are amended to read:

122.02 Definitions.—The following words and phrases as used in this chapter shall have the following meaning unless a different meaning is plainly required by the context:

(1) “State and county officers and employees” shall include all full-time officers or employees who receive compensation for services rendered from state or county funds, or from funds of drainage districts or mosquito control districts of a county or counties, or from funds of the State Board of Administration or from funds of closed bank receivership accounts or from funds of any state institution or who receive compensation for employment or service from any agency, branch, department, institution or board of the state, or any county of the state, for service rendered the state or county from funds from any source provided for their employment or service regardless of whether the same is paid by state or county warrant or not; provided that such compensation in whatever form paid shall be specified in terms of fixed monthly salaries by the employing state or county agency or state or county official and shall not include amounts allowed for professional employees for special or particular service or for subsistence or travel expenses; provided further the department ~~division~~ shall prescribe appropriate procedure for contribution deduction out of such compensation in accordance with the provisions of this chapter, provided further that such officers and employees defined herein shall not include those officers and employees excepted from the provisions by s. 122.18 of this law.

(6) “Department” “~~Division~~” means the Department of Management Services ~~Division of Retirement~~.

Section 55. Paragraph (d) of subsection (6) and subsection (9) of section 122.03, Florida Statutes, are amended to read:

122.03 Contributions; participants; prior service credit.—

(6) Any officer or employee who held office or was employed by the state or a county of the state continuously from May 1, 1959, and who has not previously received credit for, or is not eligible to claim credit for, prior years of service under subsection (2); or any officer or employee who holds office or is employed by the state or a county of the state on June 1, 1961, and is continuously employed; or any officer or employee who holds office or is employed by the state or county of the state after June 1, 1961, and who is

continuously employed for 3 years, during which period of time no back payments may be made:

(d) Prior service allowance may be made only for those periods in which state or county records of service and salary are available, or at least three affidavits and such other information as might be required by the department division to meet the provisions of this law.

(9) The surviving spouse or other dependent of any member whose employment is terminated by death shall, upon application to the department director of the Division of Retirement, be permitted to pay the required contributions for any service performed by the member which could have been claimed by the member at the time of death. Such service shall be added to the creditable service of the member and shall be used in the calculation of any benefits which may be payable to the surviving spouse or other surviving dependent.

Section 56. Subsection (2) of section 122.05, Florida Statutes, is amended to read:

122.05 Legislator services included.—

(2) The department division and state officials administering said retirement system shall make the contribution deductions required by law from the compensation hereafter received by any of the said participating members of the Legislature for service rendered the State Legislature in the same manner as in the case of other state employment.

Section 57. Subsection (2) of section 122.06, Florida Statutes, is amended to read:

122.06 Legislative employee services included.—

(2) The department division and other state officials administering said retirement system shall make the contribution deductions required by law from the compensation hereafter received by any of the said participating attaches for service rendered the State Legislature in the same manner as in the case of other state employment.

Section 58. Subsection (2) of section 122.07, Florida Statutes, is amended to read:

122.07 Seasonal state employment included; time limit and procedure for claiming.—

(2) Any state employee as described in subsection (1) in the classification set forth in s. 122.01 may elect to receive credit as a state employee under the State and County Officers and Employees' Retirement System by providing to the department division a statement from the state in which he or she was employed, listing days employed and monthly earnings and such other information as may, in the opinion of the department division, be necessary or appropriate in the carrying out of this section. Credit shall be granted upon payment to the department division by such employee of an amount

equal to the total retirement contribution that would have been required had the member worked in this state during the period based on the salary drawn by such employee during his or her last full month of employment by the state or any department thereof for each month during said fiscal year for which such employee was not employed by the state or any department thereof, but was employed by some other state, plus interest compounded annually each June 30 from the date of the service in another state to the date of payment at the rate of 4 percent until July 1, 1975, and 6.5 percent thereafter. The member shall have until his or her date of retirement to claim and purchase credit for such employment in another state.

Section 59. Paragraph (a) of subsection (1), paragraph (b) of subsection (4), and subsections (5) and (9) of section 122.08, Florida Statutes, are amended to read:

122.08 Requirements for retirement; classifications.—There shall be two retirement classifications for all state and county officers and employees participating herein as hereafter provided in this section:

(1)(a) Any state or county officer or employee who has attained normal retirement age, which shall be age 60 for a person who had become a member prior to July 1, 1963, and age 62 for a person who had or shall become a member on or after July 1, 1963, and has accumulated at least 10 years' service in the aggregate within the contemplation of this law, and who has made or makes contributions to the State and County Officers and Employees' Retirement Trust Fund for 5 or more years as prescribed in this law, may voluntarily retire from office or employment and be entitled to receive retirement compensation, the amount of which shall be 2 percent for each year of service rendered, based upon the average final compensation, payable in equal monthly installments, upon his or her own requisition. Requisition requirements shall be set by the department ~~division~~.

(4)

(b) A member who elects an option in paragraph (a) shall on a form provided for that purpose designate his or her spouse as beneficiary to receive the benefits which continue to be payable upon the death of the member. After such benefits have commenced under an option in paragraph (a), the retired member may change the designation of his or her spouse as beneficiary only twice. If such a retired member remarries and wishes to make such a change, he or she may do so by filing with the department ~~division~~ a notarized change of spouse designation form and shall notify the former spouse in writing of such change. Upon receipt of a completed change of spouse designation form, the department ~~division~~ shall adjust the member's monthly benefit by the application of actuarial tables and calculations developed to ensure that the benefit paid is the actuarial equivalent of the present value of the member's current benefit. The consent of a retired member's formerly designated spouse as beneficiary to any such change shall not be required.

(5) Tables for computing the actuarial equivalent shall be approved by the department ~~division~~.

(9) Notwithstanding any other provision in this chapter to the contrary, the following provisions shall apply to any officer or employee who has accumulated at least 10 years of service and dies:

(a) If the deceased member's surviving spouse has previously received a refund of the member's contributions made to the retirement trust fund, such spouse may pay to the department division an amount equal to the sum of the amount of the deceased member's contributions previously refunded and interest at 3 percent compounded annually on the amount of such refunded contributions from the date of refund until July 1, 1975, and thereafter at the rate of 6.5 percent interest compounded annually to the date of payment to the department division, and by so doing be entitled to receive the monthly retirement benefit provided in paragraph (c).

(b) If the deceased member's surviving spouse has not received a refund of the deceased member's contributions, such spouse shall, upon application to the department division, receive the monthly retirement benefit provided in paragraph (c).

(c) The monthly benefit payable to the spouse described in paragraph (a) or paragraph (b) shall be the amount which would have been payable to the deceased member's spouse, assuming that the member retired on the date of death and had selected the option in subsection (4) which would afford the surviving spouse the greatest amount of benefits, such benefit to be based on the ages of the spouse and member as of the date of death of the member. Such benefit shall commence on the first day of the month following the payment of the aforesaid amount to the department division, if paragraph (a) is applicable, or on the first day of the month following the receipt of the spouse's application by the department division, if paragraph (b) is applicable.

Section 60. Subsection (4) of section 122.10, Florida Statutes, is amended to read:

122.10 Separation from service; refund of contributions.—

(4) Should any officer or employee elect to receive a refund as provided in this section, his or her application for refund shall be submitted in the manner prescribed by the regulations adopted by the department division and shall accompany the payroll certification, submitted to the department division, on which he or she was last paid prior to termination. The department division shall pay the entire refund due within 45 days after the first day of the month subsequent to receipt of such application for refund and said payroll certification.

Section 61. Subsection (1) of section 122.12, Florida Statutes, is amended to read:

122.12 Designation of beneficiary; death of participant; forfeiture of contributions after benefits paid; survivor benefits.—

(1) Any officer or employee may file, in writing, a designation of beneficiary and it shall be the duty of the department division to refund 100

percent, without interest, of the contributions made to the retirement trust fund by such deceased officer or employee to such designated beneficiary. The officer or employee shall have the privilege of changing, in writing, the designated beneficiary at any time. Upon failure to designate a beneficiary, the refund shall be made to the persons in the same order as designated in s. 222.15, for wages due deceased employees. If the deceased officer or employee has received any benefits under this law, no refund shall be made unless such officer or employee has elected to accept benefits under s. 122.08(3) or (4).

Section 62. Section 122.13, Florida Statutes, is amended to read:

122.13 Administration of law; appropriation.—The department ~~Division of Retirement~~ shall make such rules and regulations as are necessary for the effective administration of this chapter, and the cost is hereby annually appropriated and shall be paid into the State and County Officers and Employees' Retirement Trust Fund out of the Intangible Tax Fund in the State Treasury in the amount necessary to administer efficiently the state and county retirement law. At the end of each fiscal year, beginning with fiscal year 1959-1960, the administrative cost of the state and county retirement system for the fiscal year just ended shall be refunded to the General Revenue Fund from interest earned on investments made subsequent to June 30, 1959.

Section 63. Subsection (2) of section 122.15, Florida Statutes, is amended to read:

122.15 Benefits exempt from taxes and execution.—

(2) This subsection shall have no effect upon this section except that the department ~~division~~ may, upon written request from the retired member, deduct premiums for group hospitalization insurance from the retirement benefit paid such retired member.

Section 64. Paragraph (b) of subsection (2) of section 122.16, Florida Statutes, is amended to read:

122.16 Employment after retirement.—

(2)

(b) Any person to whom the limitation in paragraph (a) applies who violates such reemployment limitation and is reemployed with any agency participating in the Florida Retirement System prior to completion of the 12-month limitation period shall give timely notice of this fact in writing to his or her employer and to the department ~~division~~; and his or her retirement benefits shall be suspended for the balance of the 12-month limitation period. Any person employed in violation of this subsection and any employing agency which knowingly employs or appoints such person without notifying the department ~~Division of Retirement~~ to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from

the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by such person while he or she is reemployed during this reemployment limitation period shall be repaid to the retirement trust fund, and his or her retirement benefits shall remain suspended until such repayment has been made. Any benefits suspended beyond the reemployment limitation period shall apply toward the repayment of benefits received in violation of the reemployment limitation.

Section 65. Subsections (3) and (5) of section 122.23, Florida Statutes, are amended to read:

122.23 Definitions.—In addition to those definitions set forth in s. 122.02 the following words and phrases used in ss. 122.21-122.24, 122.26 to 122.321, inclusive, have the respective meanings set forth:

(3) “Department” ~~“Division”~~ means the Department of Management Services ~~Division of Retirement~~.

(5) “State agency” means the Department of Management Services ~~Division of Retirement~~ within the provisions and contemplation of chapter 650.

Section 66. Subsections (1) and (5) of section 122.30, Florida Statutes, are amended to read:

122.30 Appropriations.—

(1) There is hereby annually appropriated from the intangible tax fund of the state to the department ~~division~~ as the state agency designated in chapter 650, a sum not to exceed \$10,000 to defray the expenses of such agency in connection with its continuing duties in relation to the social security coverage provided by this law.

(5) In addition to amounts appropriated by other provisions of this chapter or other laws to defray cost of administration of this system, there is hereby appropriated out of the Intangible Tax Fund of the state for use of the department ~~division~~ in its administration of the two divisions of this system, the sum of \$100,000, or so much thereof as may be required for that purpose.

Section 67. Paragraphs (b) and (c) of subsection (1) of section 122.34, Florida Statutes, are amended to read:

122.34 Special provisions for certain sheriffs and full-time deputy sheriffs.—

(1)

(b) Only those members who are full-time criminal law enforcement officers or agents, as certified by the employing authority, who perform duties according to rule, order, or established custom as full-time criminal law enforcement officers or agents shall be certified to the department ~~division~~ as high hazard members, and only such members will be approved by the department ~~division~~.

(c) The department ~~Division of Retirement~~ shall make such rules and regulations as are necessary for the effective administration of the intent of this section.

Section 68. Section 122.351, Florida Statutes, is amended to read:

122.351 Funding by local agencies.—Commencing on July 1, 1969, all county and local agencies covered under the provisions of s. 122.35 shall accumulate and be responsible for the payment of social security and retirement matching costs as required under s. 122.35, from the intangible tax allocation of that county and any other source available to the local governmental units, except that all agencies, other than the school boards, shall be given credit for 50 percent of their 1967-1969 actual employer matching cost, actual cost being that cost in cash actually paid by the employer for matching retirement and social security into the fund by the agency for said biennium. The above credit of 50 percent shall be calculated by the department director of the Division of Retirement.

Section 69. Subsection (1) of section 189.412, Florida Statutes, is amended to read:

189.412 Special District Information Program; duties and responsibilities.—The Special District Information Program of the Department of Community Affairs is created and has the following special duties:

(1) The collection and maintenance of special district compliance status reports from the Auditor General, the Department of Banking and Finance, the Division of Bond Finance of the State Board of Administration, the Department of Management Services ~~Division of Retirement~~, the Department of Revenue, and the Commission on Ethics for the reporting required in ss. 11.45, 112.3144, 112.3145, 112.3148, 112.3149, 112.63, 200.068, 218.32, 218.34, 218.38, and 280.17 and chapter 121 and from state agencies administering programs that distribute money to special districts. The special district compliance status reports must consist of a list of special districts used in that state agency and a list of which special districts did not comply with the reporting statutorily required by that agency.

Section 70. Paragraph (ii) of subsection (4) of section 215.20, Florida Statutes, 1998 Supplement, is amended to read:

215.20 Certain income and certain trust funds to contribute to the General Revenue Fund.—

(4) The income of a revenue nature deposited in the following described trust funds, by whatever name designated, is that from which the deductions authorized by subsection (3) shall be made:

(ii) The Police and Firefighters' Premium Tax Trust Fund established within the ~~Division of Retirement~~ of the Department of Management Services.

The enumeration of the foregoing moneys or trust funds shall not prohibit the applicability thereto of s. 215.24 should the Governor determine that for

the reasons mentioned in s. 215.24 the money or trust funds should be exempt herefrom, as it is the purpose of this law to exempt income from its force and effect when, by the operation of this law, federal matching funds or contributions or private grants to any trust fund would be lost to the state.

Section 71. Subsection (3) of section 215.28, Florida Statutes, is amended to read:

215.28 United States securities, purchase by state and county officers and employees; deductions from salary.—

(3) All deductions so made by any such disbursing authority shall be deposited in a trust account separate and apart from the funds of the state, county, or subordinate agency. Such account will be subject to withdrawal only for the purchase of United States securities on behalf of officers and employees, or for refunds to such persons in accordance with the provisions of this law. Whenever the sum of \$18.75 or the purchase price of the security requested to be purchased is accumulated from deductions so made from the salaries or wages of an officer or employee, such disbursing agent shall arrange the purchase of the bond or security applied for and have it registered in the name or names requested in the deduction authorization. Securities so purchased will be delivered in such manner as may be convenient for the issuing agent and the purchaser. Any interest earned on moneys in such account while awaiting the accumulation of the purchase price of the security shall be transferred to the Florida Retirement System Trust Fund as reimbursement for administrative costs incurred by the Department of Management Services ~~Division of Retirement~~ under this section.

Section 72. Subsection (3) of section 215.50, Florida Statutes, 1998 Supplement, is amended to read:

215.50 Custody of securities purchased; income.—

(3) The Treasurer, as custodian of securities owned by the Florida Retirement System Trust Fund and the Florida Survivor Benefit Trust Fund, shall collect the interest, dividends, prepayments, maturities, proceeds from sales, and other income accruing from such assets. As such income is collected by the Treasurer, it shall be deposited directly into a commercial bank to the credit of the State Board of Administration. Such bank accounts as may be required for this purpose shall offer satisfactory collateral security as provided by chapter 280. In the event funds so deposited according to the provisions of this section are required for the purpose of paying benefits or other operational needs, the State Board of Administration shall remit to the Florida Retirement System Trust Fund in the State Treasury such amounts as may be requested by the Department of Management Services ~~director of the Division of Retirement~~.

Section 73. Subsections (2), (3), (11), and (13) of section 238.01, Florida Statutes, are amended to read:

238.01 Definitions.—The following words and phrases as used in this chapter shall have the following meanings unless a different meaning is plainly required by the context:

(2) “Department” “~~Division~~” means the Department of Management Services ~~Division of Retirement~~.

(3) “Teacher” means any member of the teaching or professional staff and any certificated employee of any public free school, of any district school system and vocational school, any member of the teaching or professional staff of the Florida School for the Deaf and Blind, child training schools of the Department of Health and Rehabilitative Services, the Department of Corrections, and any tax-supported institution of higher learning of the state, and any member and any certified employee of the Department of Education, any certified employee of the retirement system, any full-time employee of any nonprofit professional association or corporation of teachers functioning in Florida on a statewide basis, which seeks to protect and improve public school opportunities for children and advance the professional and welfare status of its members, any person now serving as superintendent, or who was serving as county superintendent of public instruction on July 1, 1939, and any hereafter duly elected or appointed superintendent, who holds a valid Florida teachers’ certificate. In all cases of doubt the Department of Management Services ~~division~~ shall determine whether any person is a teacher as defined herein.

(11) “Regular interest” means interest at such rate as may be set from time to time by the Department of Management Services ~~division~~.

(13) “Earnable compensation” means the full compensation payable to a teacher working the full working time for his or her position. In respect to plans A, B, C, and D only, in cases where compensation includes maintenance, the Department of Management Services ~~division~~ shall fix the value of that part of the compensation not paid in money; provided that all members shall from July 1, 1955, make contributions to the retirement system on the basis of “earnable compensation” as defined herein and all persons who are members on July 1, 1955, may, upon application, have their “earnable compensation” for the time during which they have been members prior to that date determined on the basis of “earnable compensation” as defined in this law, upon paying to the retirement system, on or before the date of retirement, a sum equal to the additional contribution with accumulated regular interest thereon they would have made if “earnable compensation” had been defined, at the time they became members, as it is now defined. However, earnable compensation for all plan years beginning on or after July 1, 1990, shall not include any amounts in excess of the compensation limitation (originally \$200,000) established by s. 401(a)(17) of the Internal Revenue Code prior to the Omnibus Budget Reconciliation Act of 1993, which limitation shall be adjusted for changes in the cost of living since 1989, in the manner provided by s. 401(a)(17) of the Internal Revenue Code of 1991. This limitation, which has been part of the Teachers’ Retirement System since plan years beginning on or after July 1, 1990, shall be adjusted as required by federal law for qualified government plans.

Section 74. Section 238.02, Florida Statutes, is amended to read:

238.02 Name and date of establishment.—A retirement system is established and placed under the management of the Department of Management

~~Services Division of Retirement~~ for the purpose of providing retirement allowances and other benefits for teachers of the state. The retirement system shall begin operations on July 1, 1939. It has such powers and privileges of a corporation as may be necessary to carry out effectively the provisions of this chapter and shall be known as the "Teachers' Retirement System of the State," and by such name all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held in trust for the purpose for which received.

Section 75. Section 238.03, Florida Statutes, is amended to read:

238.03 Administration.—

(1) The general administration and the responsibility for the proper operation of the retirement system and for making effective the provisions of this chapter are vested in the Department of Management Services Division of Retirement. Subject to the limitation of this chapter, the department division shall, from time to time, establish rules and regulations for the administration and transaction of the business of the retirement system and shall perform such other functions as are required for the execution of this chapter.

(2) The department division shall keep in convenient form such data as shall be necessary for actuarial valuation of the various funds created by this chapter and for checking the experience of the retirement system.

(3) The Department of Legal Affairs shall be the legal adviser of the department division.

(4) The department division shall employ such agents, servants and employees as in its judgment may be necessary to carry out the terms and provisions of this chapter and shall provide for their compensation. Among the employees of the department division shall be an actuary who shall be the technical adviser of the department division on matters regarding the operation of the funds created by the provisions of this chapter and who shall perform such other duties as are required in connection therewith.

(5) In the year 1943 and at least once in each 5-year period thereafter, the actuary shall make an actuarial investigation of the mortality, service and salary experience of the members and beneficiaries as defined in this chapter, and shall make a valuation of the various funds created by the chapter, and having regard to such investigation and valuation, the department division shall adopt such mortality and service tables as shall be deemed necessary, and shall certify the rates of contribution payable under the provisions of this chapter.

(6) The actuary shall make an annual valuation of the assets and liabilities of the funds of the retirement system on the basis of the tables adopted by the department division in accordance with the requirements of this section, and shall prepare an annual statement of the amounts to be contributed by the state in accordance with s. 238.09.

(7) The department division shall publish annually the valuation, as certified by the actuary, of the assets and liabilities of the various funds

created by this chapter, a statement as to the receipts and disbursements of the funds, and a statement as to the accumulated cash and securities of the funds.

(8) The ~~department division~~ shall keep a record of all of its proceedings and such record shall be open to inspection by the public.

(9) The ~~department division~~ is authorized to photograph and reduce to microfilm as a permanent record, its ledger sheets showing the salary and contributions of members of the retirement system, also the records of deceased members of the system and thereupon to destroy the documents from which such films are photographed.

Section 76. Paragraph (b) of subsection (1), paragraphs (a) and (b) of subsection (3), and subsection (4) of section 238.05, Florida Statutes, are amended to read:

238.05 Membership.—

(1) The membership of the retirement system shall consist of the following:

(b) All persons who became or who become teachers on or after July 1, 1939, except as provided in paragraph (a) and subsection (5) hereof, shall become members of the retirement system by virtue of their appointment as teachers. However, employees who are not members of the teaching or professional staff shall only become members of the retirement system by filing a notice with the ~~department division~~ of their election to become members.

(3) Except as otherwise provided in s. 238.07(9), membership of any person in the retirement system will cease if he or she is continuously unemployed as a teacher for a period of more than 5 consecutive years, or upon the withdrawal by the member of his or her accumulated contributions as provided in s. 238.07(13), or upon retirement, or upon death; provided that the adjustments prescribed below are to be made for persons who enter the Armed Forces of the United States during a period of war or national emergency and for persons who are granted leaves of absence. Any member of the retirement system who within 1 year before the time of entering the Armed Forces of the United States was a teacher, as defined in s. 238.01, or was engaged in other public educational work within the state, and member of the Teachers' Retirement System at the time of induction, or who has been or is granted leave of absence, shall be permitted to elect to continue his or her membership in the Teachers' Retirement System; and membership service shall be allowed for the period covered by service in the Armed Forces of the United States or by leave of absence under the following conditions:

(a) A person who has been granted leave of absence shall file with the ~~department division~~ before his or her next contribution is due an application to continue his or her membership during the period covered by the person's leave of absence and, if such application is filed, shall make his or her contribution to the retirement system on the basis of his or her last previous annual salary as a teacher, and shall, prior to retirement, pay in full to the

system such contributions with accumulated regular interest. Such contributions with interest may be paid at one time or in monthly, quarterly, semiannual, or annual payments in the person's discretion.

(b) A person who enters or who has entered the Armed Forces of the United States may either continue his or her membership according to the plan outlined under paragraph (a) or, in lieu thereof, may file with the ~~department division~~ at any time following the close of his or her military service an application that his or her membership be continued and that membership service be allowed for not more than 5 years of his or her period of service in the Armed Forces of the United States during any period of war or national emergency; provided that any such person shall, prior to retirement, pay in full his or her contributions with accumulated regular interest to the retirement system for the period for which he or she is entitled to membership service on the basis of his or her last previous annual salary as a teacher. Such contributions with interest may be paid to the department division at one time or in monthly, quarterly, semiannual, or annual payments in the person's discretion.

(4) The ~~department division~~ may in its discretion deny the right to become members to any class of teachers who are serving on a temporary or any other than a per annum basis, and it may also in its discretion make optional with members in any such class their individual entrance into membership.

Section 77. Subsections (3) and (10), paragraphs (a) and (b) of subsection (12), subsections (13) and (15A), and paragraphs (a) and (d) of subsection (16) of section 238.07, Florida Statutes, are amended to read:

238.07 Regular benefits; survivor benefits.—

(3) Any member who, prior to July 1, 1955, elected to retire under one of plans A, B, C, or D may elect, prior to retirement, to retire under plan E in accordance with the terms hereof. Any person who became a member on or after July 1, 1955, shall retire under plan E, except as provided for under s. 238.31. With respect to plans A, B, C, or D, any member shall have the right at any time to change to a plan of retirement requiring a lower rate of contribution. The Department of Management Services Division of Retirement shall also notify the member of the rate of contribution such member must make from and after selecting such plan of retirement. Any member in service may retire upon reaching the age of retirement formerly selected by him or her, upon the member's written application to the department division setting forth at which time, not more than 90 days subsequent to the execution and filing of such application, it is his or her desire to retire notwithstanding that during such period of notification he or she may have separated from service. Upon receipt of such application for retirement, the department division shall retire such member not more than 90 days thereafter. Before such member may retire he or she must file with the department division his or her written selection of one of the optional benefits provided in s. 238.08.

(10) Any member in service, who has 10 or more years of creditable service, may upon the application of his or her employer or upon his or her

own application, be retired by the ~~department division~~ not less than 30 nor more than 90 days next following the date of filing such application, on a disability retirement allowance; provided that a physician licensed by this state examines and certifies that such member is mentally or physically incapacitated for the further performance of duty, that such incapacity is likely to be permanent, and that such member should be retired, and the ~~department division~~ concurs. In making the determination, the ~~department division~~ may require other evidence of disability as deemed appropriate.

(12)(a) Once each year during the first 5 years following the retirement of a member on a disability retirement allowance, and once in every 3-year period thereafter, the ~~department division~~ may require any disability beneficiary who has not yet attained his or her minimum service retirement age to undergo a medical examination by a physician licensed by this state and to submit any other evidence of disability as required by the ~~department division~~. Should a disability beneficiary who has not yet attained his or her minimum service retirement age refuse to submit to any such medical examination, his or her retirement allowance shall be discontinued until his or her withdrawal of such refusal, and should such refusal continue for 1 year, all of the disability beneficiary's rights in and to his or her pension shall be forfeited.

(b) If the ~~department division~~ finds that a disability beneficiary is engaged in or is able to engage in a gainful occupation paying more than the difference between his or her disability retirement allowance and his or her average final compensation, the amount of the beneficiary's pension shall be reduced to an amount which, together with his or her annuity and the amount earnable by him or her, shall equal the amount of his or her average final compensation. Should the beneficiary's earning capacity later be changed, the amount of his or her pension may be further modified; provided that the pension so modified shall not exceed the amount of the pension allowable under subsection (11), at the time of retirement, nor an amount which, when added to the amount earnable by the beneficiary, together with his or her annuity, equals the amount of his or her average final compensation. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which he or she was retired shall not become a member of the retirement system at that time.

(13) Should a member cease to be a teacher except by death or by retirement under the provisions of this chapter, the member shall be paid the amount of his or her accumulated contributions. Should a member die before retirement, the amount of his or her accumulated contributions shall be paid to such person, if any, as he or she shall have nominated by written designation duly executed and filed with the ~~department division~~; otherwise, to his or her executors or administrators.

(15A)(a) Any member of the Teachers' Retirement System who has heretofore, or who hereafter, retires with no less than 10 years of creditable service and who has passed his or her 65th birthday, may, upon application to the ~~department division~~, have his or her retirement allowance redetermined and thereupon shall be entitled to a monthly service retirement allowance which shall be equal to \$4 multiplied by the number of years of

the member's creditable service which shall be payable monthly during his or her retirement; provided, that the amount of retirement allowance as determined hereunder, shall be reduced by an amount equal to:

1. Any social security benefits received by the member, and
2. Any social security benefits that the member is eligible to receive by reason of his or her own right or through his or her spouse.

(b) No payment shall be made to a member of the Teachers' Retirement System under this act, until the department ~~division~~ has determined the social security status of such member.

(c) Eligibility of a member of the Teachers' Retirement System shall be determined under the social security laws and regulations; provided, however, that a member shall be considered eligible if the member or the member's spouse has reached 65 years of age and would draw social security if the member or the member's spouse were not engaged in activity that results in the member or the member's spouse receiving income that would make him or her ineligible to receive social security benefits. A member of the Teachers' Retirement System shall be deemed to be eligible for social security benefits if the member has this eligibility in his or her own right or through his or her spouse.

(d) The department ~~division~~ shall review, at least annually, the social security status of all members of the Teachers' Retirement System receiving payment under this act and shall increase or decrease payments to such members as shall be necessary to carry out the intent of this act.

(e) No member of the Teachers' Retirement System shall have his or her retirement allowance reduced or any of his or her rights impaired by reason of this act.

(f) This subsection shall take effect on January 1, 1962.

(16)(a) Definitions under survivor benefits are:

1. A dependent is a child, widow, widower, or parent of the deceased member who was receiving not less than one-half of his or her support from the deceased member at the time of the death of such member.

2. A child is a natural or legally adopted child of a member, who:

- a. Is under 18 years of age, or
- b. Is over 18 years of age but not over 22 years of age and is enrolled as a student in an accredited educational institution, or
- c. Is 18 years of age or older and is physically or mentally incapable of self-support, when such mental and physical incapacity occurred prior to such child obtaining the age of 18 years. Such person shall cease to be regarded as a child upon the termination of such physical or mental disability. The determination as to such physical or mental incapability shall be vested in the department ~~division~~.

No person shall be considered a child who has married or, except as provided in sub-subparagraph 2.b. or as to a child who is physically or mentally incapable of self-support as hereinbefore set forth, has become 18 years of age.

3. A parent is a natural parent of a member and includes a lawful spouse of a natural parent.

4. A beneficiary is a person who is entitled to benefits under this subsection by reason of his or her relation to a deceased member during the lifetime of such member.

(d) Limitations on rights of beneficiary are:

1. The person named as beneficiary in paragraph (b) shall, in no event, be entitled to receive the benefits set out in such paragraph unless the death of the member under whom such beneficiary claims occurs within the period of time after the member has served in Florida as follows:

Minimum number of years of service in Florida	Period after serving in Florida in which death of member occurs
3 to 5	2 years
6 to 9	5 years
10 or more	10 years

2. Upon the death of a member, the department ~~division~~ shall make a determination of the beneficiary or beneficiaries of the deceased member and shall pay survivor benefits to such beneficiary or beneficiaries beginning 1 month immediately following the death of the member except where the beneficiary has not reached the age required to receive benefits under paragraph (b), in which event the payment of survivor benefits shall begin as of the month immediately following the month in which the beneficiary reaches the required age. When required by the department ~~division~~, the beneficiary or beneficiaries shall file an application for survivor benefits upon forms prescribed by the department ~~division~~.

3. The beneficiaries of a member to receive survivor benefits are fixed by this subsection, and a member may not buy or otherwise change such benefits. He or she may, however, designate the beneficiary to receive the \$500 death benefits. If a member fails to make this designation, the \$500 death benefits shall be paid to his or her executor or administrator.

4. The beneficiary or beneficiaries of a member whose death occurs while he or she is in service or while he or she is receiving a disability allowance under subsection (11), shall receive survivor benefits under this subsection determined by the years of service in Florida of the deceased member as set out in paragraph (b). The requirement that the death of a member must occur within a certain period of time after service in Florida as set out in subparagraph (d)1. shall not apply to a member receiving a disability benefit at the time of his or her death.

Section 78. Subsection (2), paragraph (b) of subsection (5), and subsections (6) and (7) of section 238.08, Florida Statutes, are amended to read:

238.08 Optional benefits.—A member may elect to receive his or her benefits under the terms of this chapter according to the provisions of any one of the following options:

(2) Option two. A member may elect to receive on retirement the actuarial equivalent (at that time) of his or her retirement allowance in a reduced retirement allowance payable throughout life, with the provisions that if the member dies before he or she has received in payment of his or her annuity the amount of his or her accumulated contributions, as they were at the time of his or her retirement, the balance shall be paid to such person, if any, as he or she shall nominate by written designation duly acknowledged and filed with the department division; otherwise, to his or her executors or administrators.

(5)

(b) A member who elects Option three or Option four shall, on a form provided for that purpose, designate his or her spouse as beneficiary to receive the benefits which continue to be payable upon the death of the member. After such benefits have commenced under Option three or Option four, the retired member may change the designation of his or her spouse as beneficiary only twice. If such a retired member remarries and wishes to make such a change, he or she may do so by filing with the department division a notarized change of spouse designation form and shall notify the former spouse in writing of such change. Upon receipt of a completed change of spouse designation form, the department division shall adjust the member's monthly benefit by the application of actuarial tables and calculations developed to ensure that the benefit paid is the actuarial equivalent of the present value of the member's current benefit. The consent of a retired member's formerly designated spouse as beneficiary to any such change shall not be required.

(6) Notwithstanding any provision in this chapter to the contrary, the following provisions shall apply to any member of the retirement system who has accumulated at least 10 years of service and dies prior to retirement:

(a) If the deceased member's surviving spouse has previously received a refund of the member's accumulated contributions made to the retirement system, such spouse may pay to the department Division of Retirement an amount equal to the sum of the amount of the deceased member's contributions previously refunded and regular interest compounded annually on the amount of such refunded contributions from the date of refund to the date of payment to the department division, and by so doing be entitled to receive the monthly retirement benefit provided in paragraph (c).

(b) If the deceased member's surviving spouse has not received a refund of the deceased member's accumulated contributions, such spouse shall, upon application to the department division within 30 days of the death of

the member, receive the monthly retirement benefit provided in paragraph (c).

(c) The monthly benefit payable to the spouse described in paragraph (a) or paragraph (b) shall be the amount which would have been payable to the deceased member's spouse, assuming that the member retired on the date of his or her death and had selected the option in subsection (3), such benefit to be based on the ages of the spouse and member as of the date of death of the member. The benefit shall commence on the first day of the month following the payment of the aforesaid amount to the ~~department division~~, if paragraph (a) is applicable, or on the first day of the month following the receipt of the spouse's application by the ~~department division~~, if paragraph (b) is applicable.

(7) The surviving spouse or other dependent of any member whose employment is terminated by death shall, upon application to the ~~department director of the Division of Retirement~~, be permitted to pay the required contributions for any service performed by the member which could have been claimed by the member at the time of his or her death. Such service shall be added to the creditable service of the member and shall be used in the calculation of any benefits which may be payable to the surviving spouse or other surviving dependent.

Section 79. Paragraphs (a), (c), and (d) of subsection (1), paragraphs (b), (c), and (e) of subsection (3), and paragraph (b) of subsection (5) of section 238.09, Florida Statutes, are amended to read:

238.09 Method of financing.—All of the assets of the retirement system shall be credited, according to the purposes for which they are held, to one of four funds; namely, the Annuity Savings Trust Fund, the Pension Accumulation Trust Fund, the Expense Trust Fund, and the Survivors' Benefit Trust Fund.

(1) The Annuity Savings Trust Fund shall be a fund in which shall be accumulated contributions made from the salaries of members under the provisions of paragraph (c) or paragraph (f). Contribution to, payments from, the Annuity Savings Trust Fund shall be made as follows:

(a) With respect to plan A, B, C, or D, upon the basis of such tables as the ~~Department of Management Services Division of Retirement~~ shall adopt, and regular interest, the actuary of the retirement system shall determine for each member the proportion of earnable compensation which, when deducted from each payment of his or her prospective earnable annual compensation prior to his or her minimum service retirement age, and accumulated at regular interest until such age, shall be computed to provide at such age:

1. An annuity equal to one one-hundred-fortieth of his or her average final compensation multiplied by the number of his or her years of membership in the case of each member electing to retire under the provisions of plan A or B.

2. An annuity equal to one one-hundred-twentieth of his or her average final compensation multiplied by the number of his or her years of membership service in the case of each member electing to retire under the provisions of plan C.

3. An annuity equal to one one-hundredth of his or her average final compensation multiplied by the number of his or her years of membership service in the case of each member electing to retire under the provisions of plan D.

In the case of any member who has attained his or her minimum service retirement age prior to becoming a member, the proportion of salary applicable to such member, with respect to plan A, B, C, or D, shall be the proportion computed for the age 1 year younger than his or her minimum service retirement age.

(c) The ~~department~~ Division of Retirement shall certify to each employer the proportion of the earnable compensation of each member who is compensated by the employer, and the employer shall cause to be deducted from the salary of each member on each and every payroll for each and every payroll period an amount equal to the proportion of the member's earnable compensation so computed. With respect to plan A, B, C, or D, the employer shall not make any deduction for annuity purposes from the compensation of a member who has attained the age of 60 years, if such member elects not to contribute.

(d) In determining the amount earnable by a member in a payroll period, the ~~department~~ division may consider the rate of compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and it may omit deductions from compensation for any period less than a full payroll period if a teacher was not a member on the first day of the payroll period, and to facilitate the making of deductions, it may modify any deduction required of any member by such an amount as shall not exceed one-tenth of 1 percent of the annual salary from which said deduction is to be made.

(3) The Pension Accumulation Trust Fund shall be the fund in which shall be accumulated all reserves for the payment of all annuities or benefits in lieu of annuities on retired members and all pensions and other benefits payable from contributions made by the members and by the employers, from which annuities, pensions and benefits in lieu thereof shall be paid. Contributions to, and payments from, the Pension Accumulation Trust Fund, other than as set forth in subsections (2) and (3) herein, shall be made as follows:

(b) On the basis of regular interest and of such mortality and other tables as shall be adopted by the ~~department~~ division, the actuary engaged by the ~~department~~ division to make each valuation required by this chapter shall, during the period over which the accrued liability contribution is payable, determine, immediately after making such valuation, the uniform and constant percentage of the earnable compensation of the average new entrant, which, if contributed on the basis of his or her compensation throughout his

or her entire period of service, would be sufficient to provide for the payment of any pension payable by the state on his or her account. The rate percent so determined shall be known as the normal contribution rate. After the accrued liability contribution has ceased to be payable, the normal contribution rate shall be the rate percent of the earnable compensation of all members, obtained by deducting from the total liabilities of the Pension Accumulation Trust Fund the amount of the funds in hand to the credit of that fund and dividing the remainder by 1 percent of the present value of the prospective future salaries of all members as computed on the basis of the mortality and service tables adopted by the department division and on the basis of regular interest. The normal rate of contribution shall be determined and certified to the department division by the actuary after each valuation and shall continue in force until a new valuation and certification are made.

(c) Immediately succeeding the first valuation, the actuary engaged by the department division shall compute the rate percent of the total earnable compensation of all members which is equivalent to 4 percent of the amount of the total liability for pensions on account of all members and beneficiaries and not dischargeable by the present assets of the Pension Accumulation Trust Fund and by the aforesaid normal contribution if made on account of such members during the remainder of their active service. The rate percent, originally so determined, shall be known as the accrued liability contribution rate.

(e) The accrued liability contribution shall be discontinued as soon as the accumulated reserve in the Pension Accumulation Trust Fund shall equal the present value, as actuarially computed and approved by the department division, of the total liability of such fund less the present value, computed on the basis of the normal contribution rate, then in force of the prospective normal contributions to be received on account of persons who are at that time members.

(5)

(b) The department division shall annually certify to each employer, at the time it makes the certification to the employer under paragraph (1)(c), the rate of twenty-five-hundredths percent to be applied by the employer to the salary of each member who is compensated by the employer, and the employer shall cause to be deducted from the salary of each member on each and every payroll for each and every payroll period an amount equal to twenty-five-hundredths percent of the member's salary paid by the employer and the employer shall remit monthly such deducted amounts to the department division which shall place the same in the Survivors' Benefit Trust Fund of the Teachers' Retirement System of the state. The amount of contributions by a member to the Survivors' Benefit Trust Fund shall, in no event, be refundable to the member or his or her beneficiaries.

Section 80. Section 238.10, Florida Statutes, is amended to read:

238.10 Management of funds.—The Department of Management Services Division of Retirement, annually, shall allow regular interest on the amount for the preceding year to the credit of each of the funds of the retirement system, and to the credit of the individual account therein, if any,

with the exception of the expense fund, from the interest and dividends earned from investments.

Section 81. Paragraph (b) of subsection (1), paragraph (b) of subsection (2), and subsection (3) of section 238.11, Florida Statutes, are amended to read:

238.11 Collection of contributions.—

(1) The collection of contributions shall be as follows:

(b) Each employer shall transmit monthly to the Department of Management Services ~~Division of Retirement~~ a warrant for the total amount of such deductions. Each employer shall also transmit monthly to the department division ~~division~~ a warrant for such employer contribution set aside as provided for in paragraph (a) of this subsection. The department division ~~division~~, after making records of all such warrants, shall transmit them to the Department of Banking and Finance for delivery to the Treasurer of the state who shall collect them.

(2) The collection of the state contribution shall be made as follows:

(b) The Department of Management Services ~~division~~ shall certify one-fourth of the amount so ascertained for each year to the Comptroller on or before the last day of July, October, January, and April of each year. The Comptroller shall, on or before the first day of August, November, February, and May of each year, draw his or her warrant or warrants on the Treasurer for the respective amounts due the several funds of the retirement system. On the receipt of the warrant or warrants of the Comptroller, the Treasurer shall immediately transfer to the several funds of the retirement system the amounts due.

(3) All collection of contributions of a nonprofit professional association or corporation of teachers as referred to in s. 238.01(3) and (5) shall be made by such association or corporation in the following manner:

(a) On April 1 of each year, the Department of Management Services ~~division~~ shall certify to any such nonprofit professional association or corporation of teachers the amounts which will become due and payable during the ensuing fiscal year to each of the funds of the retirement system to which such contributions are payable as set forth in this law.

(b) The Department of Management Services ~~division~~ shall certify one-fourth of the amount so ascertained for each year to the nonprofit professional association or corporation of teachers on or before the last day of July, October, January, and April of each year. The nonprofit professional association or corporation of teachers shall, on or before the first day of August, November, February, and May of each year, draw its check payable to the department division ~~division~~ for the respective amounts due the several funds of the retirement system. Upon receipt of the check, the department division ~~division~~ shall immediately transfer to the several funds of the retirement system the amounts due, provided, however, that the amounts due the several funds of the retirement system from any such association or corporation for credit-

able service accruing to any such member before July 1, 1947, shall be paid prior to the retirement of any such member.

Section 82. Section 238.12, Florida Statutes, is amended to read:

238.12 Duties of employers.—

(1) Each employer shall keep such records and, from time to time, shall furnish such information as the Department of Management Services Division of Retirement may require in the discharge of its duties. Upon the employment of any teacher to whom this chapter may apply, the teacher shall be informed by his or her employer of his or her duties and obligations in connection with the retirement system as a condition of his or her employment. Every teacher accepting employment shall be deemed to consent and agree to any deductions from his or her compensation required in this chapter and to all other provisions of this chapter.

(2) During September of each year, or at such other time as the department division shall approve, each employer shall certify to the department division the names of all teachers to whom this chapter applies.

(3) Each employer shall, on the first day of each calendar month, or at such less frequent intervals as the department division may approve, notify the department division of the employment of new teachers, removals, withdrawals and changes in salary of members that have occurred during the preceding month, or the period covered since the last notification.

Section 83. Section 238.14, Florida Statutes, is amended to read:

238.14 Protection against fraud.—Any person who shall knowingly make any false statement, or shall falsify or permit to be falsified any record or records of this retirement system in any attempt to defraud such system as a result of such act, shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. Should any change or error in records result in any member or beneficiary receiving from the retirement system more or less than he or she would have been entitled to receive had the records been correct, then on discovery of any such error the department division shall correct such error, and, as far as practicable, shall adjust the payments in such a manner that the actuarial equivalent of the benefit, to which such member or beneficiary was correctly entitled, shall be paid.

Section 84. Section 238.15, Florida Statutes, is amended to read:

238.15 Exemption of funds from taxation, execution, and assignment.—The pensions, annuities or any other benefits accrued or accruing to any person under the provisions of this chapter and the accumulated contributions and cash securities in the funds created under this chapter are exempted from any state, county or municipal tax of the state, and shall not be subject to execution or attachment or to any legal process whatsoever, and shall be unassignable, except:

(1) That any teacher who has retired shall have the right and power to authorize in writing the Department of Management Services Division of

~~Retirement~~ to deduct from his or her monthly retirement allowance money for the payment of the premiums on group insurance for hospital, medical and surgical benefits, under a plan or plans for such benefits approved in writing by the Insurance Commissioner and Treasurer of the state, and upon receipt of such request the department division shall make the monthly payments as directed; and

(2) As may be otherwise specifically provided for in this chapter.

Section 85. Paragraph (b) of subsection (3) of section 238.171, Florida Statutes, is amended to read:

238.171 Monthly allowance; when made.—

(3)

(b) On July 1, 1975, and each July 1 thereafter, the Department of Management Services director shall adjust the monthly allowance being paid on said date. The percentage of such adjustment shall be equal to the percentage change in the average cost-of-living index during the preceding 12-month period, April 1 through March 31, ignoring changes in the cost-of-living index which are greater than 3 percent during the preceding fiscal year.

Section 86. Paragraphs (b), (c), (d), (e), and (f) of subsection (2) of section 238.181, Florida Statutes, are amended to read:

238.181 Reemployment after retirement; conditions and limitations.—

(2)

(b) Any person to whom the limitation in paragraph (a) applies who violates such reemployment limitation and who is reemployed with any agency participating in the Florida Retirement System before completion of the 12-month limitation period shall give timely notice of this fact in writing to his or her employer and to the Department of Management Services division and shall have his or her retirement benefits suspended for the balance of the 12-month limitation period. Any person employed in violation of this paragraph and any employing agency which knowingly employs or appoints such person without notifying the department Division of Retirement to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received while reemployed during this reemployment limitation period shall be repaid to the retirement trust fund, and retirement benefits shall remain suspended until such repayment has been made. Benefits suspended beyond the reemployment limitation shall apply toward repayment of benefits received in violation of the reemployment limitation.

(c) A district school board may reemploy a retired member as a substitute or hourly teacher on a noncontractual basis after he or she has been retired

for 1 calendar month, in accordance with s. 121.021(39). Any retired member who is reemployed within 1 calendar month after retirement shall void his or her application for retirement benefits. District school boards reemploying such teachers are subject to the retirement contribution required by paragraph (g). Reemployment of a retired member as a substitute or hourly teacher is limited to 780 hours during the first 12 months of his or her retirement. Any retired member reemployed for more than 780 hours during his or her first 12 months of retirement shall give timely notice in writing to his or her employer and to the department division of the date he or she will exceed the limitation. The department division shall suspend his or her retirement benefits for the remainder of his or her first 12 months of retirement. Any person employed in violation of this paragraph and any employing agency which knowingly employs or appoints such person without notifying the department Division of Retirement to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by a retired member while reemployed in excess of 780 hours during his or her first 12 months of retirement shall be repaid to the Retirement System Trust Fund, and his or her retirement benefits shall remain suspended until repayment is made. Benefits suspended beyond the end of the retired member's first 12 months of retirement shall apply toward repayment of benefits received in violation of the 780-hour reemployment limitation.

(d) A community college board of trustees may reemploy a retired member as an adjunct instructor, that is, an instructor who is noncontractual and part time, or as a participant in a phased retirement program within a community college, after he or she has been retired for 1 calendar month, in accordance with s. 121.021(39). Any retired member who is reemployed within 1 calendar month after retirement shall void his or her application for retirement benefits. Boards of trustees reemploying such instructors are subject to the retirement contribution required in paragraph (g). A retired member may be reemployed as an adjunct instructor for no more than 780 hours during the first 12 months of his or her retirement. Any retired member reemployed for more than 780 hours during his or her first 12 months of retirement shall give timely notice in writing to his or her employer and to the department division of the date he or she will exceed the limitation. The department division shall suspend his or her retirement benefits for the remainder of his or her first 12 months of retirement. Any person employed in violation of this paragraph and any employing agency which knowingly employs or appoints such person without notifying the department Division of Retirement to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by a retired member while reemployed in excess of 780 hours during his or her first 12 months of retirement shall be repaid to the Retirement System Trust Fund, and retirement benefits shall remain suspended until repayment is made. Benefits suspended

beyond the end of the retired member's first 12 months of retirement shall apply toward repayment of benefits received in violation of the 780-hour reemployment limitation.

(e) The Board of Trustees of the Florida School for the Deaf and the Blind may reemploy a retired member as a substitute teacher, substitute residential instructor, or substitute nurse on a noncontractual basis after he or she has been retired for 1 calendar month, in accordance with s. 121.021(39). Any retired member who is reemployed within 1 calendar month after retirement shall void his or her application for retirement benefits. The Board of Trustees of the Florida School for the Deaf and the Blind reemploying such teachers, residential instructors, or nurses is subject to the retirement contribution required by paragraph (g). Reemployment of a retired member as a substitute teacher, substitute residential instructor, or substitute nurse is limited to 780 hours during the first 12 months of his or her retirement. Any retired member reemployed for more than 780 hours during his or her first 12 months of retirement shall give timely notice in writing to his or her employer and to the department division of the date he or she will exceed the limitation. The department division shall suspend his or her retirement benefits for the remainder of his or her first 12 months of retirement. Any person employed in violation of this paragraph and any employing agency which knowingly employs or appoints such person without notifying the department Division of Retirement to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by a retired member while reemployed in excess of 780 hours during his or her first 12 months of retirement shall be repaid to the Retirement System Trust Fund, and his or her retirement benefits shall remain suspended until payment is made. Benefits suspended beyond the end of the retired member's first 12 months of retirement shall apply toward repayment of benefits received in violation of the 780-hour reemployment limitation.

(f) The State University System may reemploy a retired member as an adjunct faculty member or as a participant in a phased retirement program within the State University System after the retired member has been retired for 1 calendar month, in accordance with s. 121.021(39). Any retired member who is reemployed within 1 calendar month after retirement shall void his or her application for retirement benefits. The State University System is subject to the retired contribution required in paragraph (g), as appropriate. A retired member may be reemployed as an adjunct faculty member or a participant in a phased retirement program for no more than 780 hours during the first 12 months of his or her retirement. Any retired member reemployed for more than 780 hours during his or her first 12 months of retirement shall give timely notice in writing to his or her employer and to the department division of the date he or she will exceed the limitation. The department division shall suspend his or her retirement benefits for the remainder of his or her first 12 months of retirement. Any person employed in violation of this paragraph and any employing agency which knowingly employs or appoints such person without notifying the

~~department~~ ~~Division of Retirement~~ to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by a retired member while reemployed in excess of 780 hours during his or her first 12 months of retirement shall be repaid to the Retirement System Trust Fund, and retirement benefits shall remain suspended until repayment is made. Benefits suspended beyond the end of the retired member's first 12 months of retirement shall apply toward repayment of benefits received in violation of the 780-hour reemployment limitation.

Section 87. Section 238.32, Florida Statutes, is amended to read:

238.32 Service credit in disputed cases.—~~The Department of Management Services~~ ~~Division of Retirement~~ may in its discretion allow or deny a member service credit in disputed or doubtful cases for employment in Florida and out-of-state schools in order to serve the best interests of the state and the member, subject to the membership dates set forth in s. 238.06(4).

Section 88. Paragraph (c) of subsection (1), paragraphs (a), (b), and (f) of subsection (3), paragraph (b) of subsection (4), and paragraph (b) of subsection (6) of section 240.3195, Florida Statutes, are amended to read:

240.3195 State Community College System Optional Retirement Program.—Each community college may implement an optional retirement program, if such program is established therefor pursuant to s. 240.319(3)(r), under which annuity contracts providing retirement and death benefits may be purchased by, and on behalf of, eligible employees who participate in the program. Except as otherwise provided herein, this retirement program, which shall be known as the State Community College System Optional Retirement Program, may be implemented and administered only by an individual community college or by a consortium of community colleges.

(1) As used in this section, the term:

(c) ~~“Department”~~ ~~“Division”~~ means the ~~Division of Retirement of the~~ Department of Management Services.

(3)(a) With respect to any employee who is eligible to participate in the optional retirement program by reason of qualifying employment commencing before the program's activation:

1. The employee may elect to participate in the optional retirement program in lieu of participation in the Florida Retirement System. To become a program participant, the employee must file with the personnel officer of the college, within 60 days after the program's activation, both a written election on a form provided by the ~~department~~ ~~division~~ and a completed application for an individual contract or certificate.

2. An employee's participation in the optional retirement program commences on the first day of the next full calendar month following the filing

of the election and completed application with the program administrator and receipt of such election by the ~~department division~~. An employee's membership in the Florida Retirement System terminates on this same date.

3. Any such employee who fails to make an election to participate in the optional retirement program within 60 days after its activation has elected to retain membership in the Florida Retirement System.

(b) With respect to any employee who becomes eligible to participate in an optional retirement program by reason of qualifying employment commencing on or after the program's activation:

1. The employee may elect to participate in the optional retirement program in lieu of participation in the Florida Retirement System. To become a program participant, the employee must file with the personnel officer of the college, within 60 days after commencing qualifying employment, both a written election on a form provided by the ~~department division~~ and a completed application for an individual contract or certificate.

2. An employee's participation in the optional retirement program commences on the first day of the next full calendar month following the filing of the election and completed application with the program administrator and receipt of such election by the ~~department division~~. An employee's membership in the Florida Retirement System terminates on this same date.

3. If the employee makes an election to participate in the optional retirement program before the community college submits its initial payroll for the employee, participation in the optional retirement program commences on the first date of employment.

4. Any such employee who fails to make an election to participate in the optional retirement program within 60 days after commencing qualifying employment has elected to retain membership in the Florida Retirement System.

(f) If a program participant becomes ineligible to continue participating in the optional retirement program pursuant to the criteria referenced in subsection (2), the employee becomes a member of the Florida Retirement System if eligible. The college must notify the ~~department Division of Retirement~~ of an employee's change in eligibility status within 30 days after the event that makes the employee ineligible to continue participation in the optional retirement program.

(4)

(b) Each community college must contribute on behalf of each program participant an amount equal to the unfunded actuarial accrued liability portion of the employer contribution which would be required if the program participant were a member of the Regular Class of the Florida Retirement System. Payment of this contribution must be made directly by the college to the ~~department division~~ for deposit in the Florida Retirement System Trust Fund.

(6)

(b) The program administrator shall solicit competitive bids or issue a request for proposal and select no more than four companies from which annuity contracts may be purchased under the optional retirement program. In making these selections, the program administrator shall consider the following factors:

1. The financial soundness of the company.
2. The extent of the company's experience in providing annuity contracts to fund retirement programs.
3. The nature and extent of the rights and benefits provided to program participants in relation to the premiums paid.
4. The suitability of the rights and benefits provided to the needs of eligible employees and the interests of the college in the recruitment and retention of employees.

In lieu of soliciting competitive bids or issuing a request for proposals, the program administrator may authorize the purchase of annuity contracts under the optional retirement program from those companies currently selected by the ~~department~~ Division of Retirement to offer such contracts through the State University System Optional Retirement Program, as set forth in s. 121.35.

Section 89. Subsection (6) of section 250.22, Florida Statutes, is amended to read:

250.22 Retirement.—

(6) All powers, duties, and functions related to the administration of this section are vested in the Department of Management Services ~~Division of Retirement~~.

Section 90. Subsection (2) of section 321.17, Florida Statutes, is amended to read:

321.17 Contributions; leaving patrol; leave of absence; transferees.—

(2) Such members as are eligible for service credit as set forth under s. 321.19(1) may pay to the Treasurer to the credit of the Highway Patrol Pension Trust Fund, the sum of \$5 for each month of such service credit. Satisfactory proof of former service must be furnished the Department of Management Services ~~Division of Retirement~~ in the form of a sworn, written statement from the member's former employer or other reliable person, or other documents of proof as may be required by them. Such money as becomes due by reason of this clause shall be paid by said employee in equal monthly payments over a period not to exceed 60 months after October 1, 1945. Employees who fail to take advantage of the benefits offered under s. 321.19(1) within 90 days after October 1, 1945, shall forfeit such service credits forever. New members who may hereafter enter the service of division of the Florida Highway Patrol who fail to take advantage of the benefits

offered under s. 321.19(1) within 90 days after time of employment shall forfeit such service credits forever.

Section 91. Paragraph (d) of subsection (1) of section 321.19, Florida Statutes, is amended to read:

321.19 Computing length of service; definitions; examining committee.—

(1)

(d) The surviving spouse or other dependent of any member whose employment is terminated by death shall, upon application to the Department of Management Services ~~director of the Division of Retirement~~, be permitted to pay the required contributions for any service performed by the member which could have been claimed by the member at the time of his or her death. Such service shall be added to the creditable service of the member and used in the calculation of any benefits which may be payable to the surviving spouse or other surviving dependent.

Section 92. Subsections (1), (2), and (4) and paragraph (a) of subsection (6) of section 321.191, Florida Statutes, are amended to read:

321.191 Non-service-connected disability retirement.—

(1) A member who becomes totally and permanently disabled after completing 10 years of service shall be entitled to a disability benefit. The disability retirement date for such member shall be the first day of the month following the month during which the Department of Management Services ~~Division of Retirement~~ approved payment of disability retirement benefits.

(2) A member shall be considered totally and permanently disabled if, in the opinion of the Department of Management Services ~~Division of Retirement~~, he or she is prevented by physical or mental impairment from engaging in any gainful activity for which he or she is, or may reasonably become, fitted by education, training, or experience. The decision of the Department of Management Services ~~division~~ shall be final and binding.

(4) The Department of Management Services ~~division~~, before approving payment of any disability retirement benefit, may require proof, in such form as it may decide, that the member is disabled as defined herein.

(6)(a) If the Department of Management Services ~~Division of Retirement~~ finds that a member who is receiving disability benefits is, at any time prior to his or her normal retirement date, no longer disabled, it shall direct that the benefits be discontinued. The decision of the department ~~division~~ on this question shall be final and binding.

Section 93. Section 321.202, Florida Statutes, is amended to read:

321.202 Termination by death subsequent to normal retirement date but prior to actual retirement.—If the employment of a member is terminated by reason of his or her death subsequent to the member's normal retirement date but prior to his or her actual retirement, it shall be assumed that the

member retired as of his or her date of death and that the member had elected the optional form of payment most favorable to his or her legal spouse as determined by the Department of Management Services Division of Retirement. The benefits so determined shall be payable monthly to the spouse until the death of the spouse.

Section 94. Subsection (2) of section 321.203, Florida Statutes, is amended to read:

321.203 Reemployment after retirement; conditions and limitations.—

(2) Any person to whom the limitation in subsection (1) applies who violates such reemployment limitation and is reemployed with any agency participating in the Florida Retirement System prior to completion of the 12-month limitation period shall give timely notice of this fact in writing to his or her employer and to the division; and his or her retirement benefits shall be suspended for the balance of the 12-month limitation period. Any person employed in violation of this section and any employing agency which knowingly employs or appoints such person without notifying the Department of Management Services Division of Retirement to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by such person while he or she is reemployed during this reemployment limitation period shall be repaid to the trust fund, and his or her retirement benefits shall remain suspended until such repayment has been made. Any benefits suspended beyond the reemployment limitation period shall apply toward the repayment of benefits received in violation of the reemployment limitation.

Section 95. Section 321.2205, Florida Statutes, is amended to read:

321.2205 Surviving spouses' benefit options.—Notwithstanding any other provision in this chapter to the contrary, the following provisions shall apply to any member who has accumulated at least 10 years of service and dies:

(1) If the deceased member's surviving spouse has previously received a refund of the member's contributions made to the Highway Patrol Pension Trust Fund, such spouse may pay to the Department of Management Services Division of Retirement an amount equal to the sum of the amount of the deceased member's contributions previously refunded and interest at 3 percent compounded annually on the amount of such refunded contributions from the date of refund to the date of payment to the Department of Management Services Division of Retirement, and receive the monthly retirement benefit provided in subsection (3).

(2) If the deceased member's surviving spouse has not received a refund of the deceased member's contribution, such spouse shall, upon application to the Department of Management Services Division of Retirement, receive the monthly retirement benefit provided in subsection (3).

(3) The monthly benefit payable to the spouse described in subsection (1) or subsection (2) shall be the amount which would have been payable to the deceased member's spouse, assuming that the member had retired on the date of his or her death and had selected the option in s. 321.20 which would afford the surviving spouse the greatest amount of benefits, such benefit to be based on the ages of the spouse and member as of the date of death of the member. Such benefit shall commence on the first day of the month following the payment of the aforesaid amount to the Department of Management Services Division of Retirement, if subsection (1) is applicable, or on the first day of the month following the receipt of the spouse's application by the Department of Management Services Division of Retirement, if subsection (2) is applicable.

Section 96. Subsection (11) of section 413.051, Florida Statutes, 1998 Supplement, is amended to read:

413.051 Eligible blind persons; operation of vending stands.—

(11) Effective July 1, 1996, blind licensees who remain members of the Florida Retirement System pursuant to s. 121.051(6)(b)1. shall pay any unappropriated retirement costs from their net profits or from program income. Within 30 days after the effective date of this act, each blind licensee who is eligible to maintain membership in the Florida Retirement System under s. 121.051(6)(b)1., but who elects to withdraw from the system as provided in s. 121.051(6)(b)3., must, on or before July 31, 1996, notify the Division of Blind Services and the Department of Management Services Division of Retirement in writing of his or her election to withdraw. Failure to timely notify the divisions shall be deemed a decision to remain a compulsory member of the Florida Retirement System. However, if, at any time after July 1, 1996, sufficient funds are not paid by a blind licensee to cover the required contribution to the Florida Retirement System, that blind licensee shall become ineligible to participate in the Florida Retirement System on the last day of the first month for which no contribution is made or the amount contributed is insufficient to cover the required contribution. For any blind licensee who becomes ineligible to participate in the Florida Retirement System as described in this subsection, no creditable service shall be earned under the Florida Retirement System for any period following the month that retirement contributions ceased to be reported. However, any such person may participate in the Florida Retirement System in the future if employed by a participating employer in a covered position.

Section 97. Paragraph (c) of subsection (4) of section 633.382, Florida Statutes, is amended to read:

633.382 Firefighters; supplemental compensation.—

(4) FUNDING.—

(c) There is appropriated from the Police and Firefighter's Premium Tax Trust Fund to the Firefighters' Supplemental Compensation Trust Fund, which is hereby created under the Department of Revenue, all moneys which have not been distributed to municipalities and special fire control districts in accordance with s. 175.121 as a result of the limitation contained in s.

175.122 on the disbursement of revenues collected pursuant to chapter 175 or as a result of any municipality or special fire control district not having qualified in any given year, or portion thereof, for participation in the distribution of the revenues collected pursuant to chapter 175. The total required annual distribution from the Firefighters' Supplemental Compensation Trust Fund shall equal the amount necessary to pay supplemental compensation as provided in this section, provided that:

1. Any deficit in the total required annual distribution shall be made up from accrued surplus funds existing in the Firefighters' Supplemental Compensation Trust Fund on June 30, 1990, for as long as such funds last. If the accrued surplus is insufficient to cure the deficit in any given year, the proration of the appropriation among the counties, municipalities, and special fire service taxing districts shall equal the ratio of compensation paid in the prior year to county, municipal, and special fire service taxing district firefighters pursuant to this section. This ratio shall be provided annually to the Department of Revenue by the Division of State Fire Marshal. Surplus funds that have accrued or accrue on or after July 1, 1990, shall be redistributed to municipalities and special fire control districts as provided in subparagraph 2.

2. By October 1 of each year, any funds that have accrued or accrue on or after July 1, 1990, and remain in the Firefighters' Supplemental Compensation Trust Fund following the required annual distribution shall be redistributed by the Department of Revenue pro rata to those municipalities and special fire control districts identified by the Department of Management Services ~~Division of Retirement~~ as being eligible for additional funds pursuant to s. 175.121(3)(b).

Section 98. Subsection (4) of section 650.02, Florida Statutes, is amended to read:

650.02 Definitions.—For the purpose of this chapter:

(4) The term "state agency" means the Department of Management Services ~~Division of Retirement~~.

Section 99. Each department of the executive branch shall survey each board, commission, and other such entity under its jurisdiction and recommend whether the entity should be abolished, continued, or revised. This information shall be provided to the Department of Management Services in the electronic format provided by that department. The Department of Management Services shall report the findings from all departments to the Governor and the Legislature by December 1, 1999.

Section 100. Paragraph (a) of subsection (5) of section 215.94, Florida Statutes, is amended to read:

215.94 Designation, duties, and responsibilities of functional owners.—

(5) The Department of Management Services shall be the functional owner of the Cooperative Personnel Employment Subsystem. The department shall design, implement, and operate the subsystem in accordance

with the provisions of ss. 110.116 and 215.90-215.96. The subsystem shall include, but shall not be limited to, functions for:

(a) Maintenance of employee and position data, including funding sources and percentages and salary lapse. The employee data shall include, but not be limited to, information to meet the payroll system requirements of the Department of Banking and Finance and to meet the employee benefit system requirements of ~~the Division of State Employees Insurance in the~~ Department of Management Services.

Section 101. This act shall take effect July 1, 1999.

Approved by the Governor June 8, 1999.

Filed in Office Secretary of State June 8, 1999.