

## House Bill No. 1883

An act relating to state-administered retirement systems; amending s. 112.63, F.S.; providing for review and comment on local government retirement system actuarial valuation reports and impact statements on a triennial basis; clarifying the basis of required payments; amending s. 112.65, F.S.; modifying the limitation on benefits for service under more than one retirement system or plan; amending s. 121.011, F.S.; clarifying requirements related to consolidation of existing retirement systems and preservation of rights; amending s. 121.021, F.S.; redefining "creditable service" to conform the definition to existing law; clarifying creditable service provisions for certain school board employees; amending s. 121.031, F.S.; authorizing the Division of Retirement to adopt rules; creating the Florida Retirement System Actuarial Assumption Conference; providing for duties and members; reenacting s. 121.051(6), F.S., relating to Florida Retirement System membership status of blind vending facility operators; reenacting ss. 121.052(7)(a), 121.055(3)(a), and 121.071(1), F.S., relating to contribution rates; amending ss. 121.052, 121.055, and 121.071, F.S., changing contribution rates for specified classes and subclasses of the system; correcting an error; conforming provisions relating to de minimis accounts to federal law; amending s. 121.081, F.S.; clarifying provisions relating to past service and prior service; amending s. 121.091, F.S.; clarifying proof of disability requirements; modifying provisions relating to death benefits to permit purchase of certain retirement credit by joint annuitants; clarifying the contribution rate and interest required to be paid for such purchases; increasing the age at which a Special Risk Class Member must elect whether to participate in the Deferred Retirement Option Program; updating and correcting references; amending s. 121.122, F.S.; correcting a reference; amending 121.24, F.S.; authorizing the State Retirement Commission to adopt rules; amending s. 121.35, F.S.; conforming provisions relating to de minimis accounts to federal law; amending s. 121.40, F.S., to remove reemployment limitations and reenacting subsection (12), relating to contribution rates for the supplemental retirement program for the Institute of Food and Agricultural Sciences at the University of Florida; reenacting s. 413.051(11) and (12), F.S., relating to Florida Retirement System membership eligibility and retirement contribution payments for blind vending facility operators; amending ss. 175.071 and 185.06, F.S.; providing, with respect to the board of trustees for municipal firefighters' pension trust funds and municipal police officers' retirement trust funds that the board may invest in corporations on the National Market System of the Nasdaq Stock Market; repealing s. 121.027, F.S., amending s. 112.18, F.S.; providing presumptions that certain illnesses incurred by law enforcement officers are done so in the line of duty; relating to rulemaking authority for that act; requiring the Board of Trustees of the State Board of Administration to review the actuarial valuation of the

Florida Retirement System; requiring the Board to review the process of retirement contribution rates and comment to the legislature; amending s. 121.021, F.S.; redefining the term "special risk member"; amending s. 121.0515, F.S.; adding to the Special Risk Class of membership certain emergency medical technicians and paramedics; providing legislative intent; providing effective dates.

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

Section 1. Subsections (4) and (5) of section 112.63, Florida Statutes, are amended to read:

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

(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 division shall acknowledge such receipt, but shall only review and comment on each retirement system's or plan's the actuarial valuations at least on a triennial basis and statements. If the division finds that the actuarial valuation is not complete, accurate, or based on reasonable assumptions, or if the division does not receive the actuarial report or statement of actuarial impact, the 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 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 division, the division shall perform an actuarial review or prepare the statement of actuarial impact. The cost to the 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 division within 60 days after receipt by the governmental entity of the request for payment, the division shall certify to the Comptroller the amount due, and the Comptroller shall pay such amount to the 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 division performs an actuarial review, the cost to the division of performing the actuarial review shall be paid by the division.

(5) Payments made to the fund as required by this chapter shall be based on the normal and past service costs contained in the ~~state-accepted version of the~~ most recent actuarial valuation, subject to being state-accepted.

Section 2. Subsection (2) of section 112.65, Florida Statutes, is amended to read:

112.65 Limitation of benefits.—

(2) No member of a retirement system or plan covered by this part who is not now a member of such plan shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the member is already receiving, or will receive in the

future, a retirement benefit or pension from a different employer's ~~another~~ retirement system or plan. This restriction does not apply to social security benefits or federal benefits under chapter 67, Title 10, U.S. Code.

Section 3. Paragraph (b) of subsection (2) of section and paragraph (e) of subsection (3) of section 121.011, Florida Statutes, 1998 Supplement, are amended to read:

121.011 Florida Retirement System.—

(2) CONSOLIDATION OF EXISTING SYSTEMS AND LAWS.—

(b) The chapters or retirement system laws named in paragraph (a) are hereby consolidated as separate instruments appended to the “Florida Retirement System Act” established by this chapter, and the administration of said chapters or retirement systems shall be consolidated with the administration of the Florida Retirement System established by this chapter, and the Florida Retirement System shall assume all liabilities related to the payment of benefits to members and their beneficiaries under the respective retirement systems of the members and their beneficiaries.

(3) PRESERVATION OF RIGHTS.—

(e) Any member of the Florida Retirement System or any member of an existing system under this chapter on July 1, 1975, who is not retired and who is, has been, or shall be, suspended and reinstated without compensation shall receive retirement service credit for the period of time from the date of suspension to the date of reinstatement, provided:

1. The creditable service claimed for the period of suspension does not exceed 24 months;

2. The member returns to active employment and remains on the employer's payroll for at least 1 calendar month ~~30 calendar days~~; and

3. The member pays into the Retirement System Trust Fund the total required employer contributions plus the total employee contributions, if applicable, based on the member's monthly compensation in effect for the pay period immediately preceding the period of suspension, prorated for the said period of suspension, plus interest thereon at a rate of 4 percent per annum compounded annually until July 1, 1975, and 6.5 percent interest thereafter until paid. If permitted by federal law, the member may pay into the Social Security Trust Fund the total cost, if any, of providing social security coverage for the period of suspension if any social security payments have been made by the employer for the benefit of the member during such period. Should there be any conflict as to payment for social security coverage, the payment for retirement service credit shall be made and retirement service credit granted regardless of such conflict.

Section 4. Paragraph (a) of subsection (17) of section 121.021, Florida Statutes, 1998 Supplement, is 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:

(17)(a) "Creditable service" of any member means the sum of his or her past service, prior service, military service, out-of-state or ~~non-FRS in-state~~ service, workers' compensation credit, leave-of-absence credit and future service allowed within the provisions of this chapter if all required contributions have been paid and all other requirements of this chapter have been met. However, in no case shall a member receive credit for more than a year's service during any 12-month period. ~~Service by as applied to a teacher, or a nonacademic employee of a school board, or an employee of a participating employer other than a school board whose total employment is to provide services to a school board for the school year only shall be based on contract years of employment or school term years of employment, as provided in chapters 122 and 238, rather than 12-month periods of employment.~~

Section 5. Subsections (1) and (3) of section 121.031, Florida Statutes, are amended to read:

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

(1) The Division of Retirement ~~has the authority to adopt shall make such rules pursuant to ss. 120.54 and 120.536(1) to implement the provisions of law conferring duties upon the division and to adopt rules as are necessary for the effective and efficient administration of this system. The funds to pay the expenses for such administration of the system 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.~~

(3) The administrator shall cause an actuarial study of the system to be made at least once every 2 years and shall report the results of such study to the Legislature by February 1 prior to the next legislative session. ~~Such study shall, at a minimum, conform to the requirements of s. 112.63, with the following exceptions and additions:~~

(a) The study shall, at a minimum, conform to the requirements of s. 112.63, with the following exceptions and additions:

1.(a) The valuation of plan assets shall be based on a 5-year averaging methodology such as that specified in the United States Department of Treasury Regulations, 26 C.F.R. s. 1.412(c)(2)-1, or a similar accepted approach designed to attenuate fluctuations in asset values.

2.(b) The study shall include a narrative explaining the changes in the covered group over the period between actuarial valuations and the impact of those changes on actuarial results.

3.(c) When substantial changes in actuarial assumptions have been made, the study shall reflect the results of an actuarial assumption as of the current date based on the assumptions utilized in the prior actuarial report.

4.(d) The study shall include an analysis of the changes in actuarial valuation results by the factors generating those changes. Such analysis

shall reconcile the current actuarial valuation results with those results from the prior valuation.

5.(e) The study shall include measures of funding status and funding progress designed to facilitate the assessment of trends over several actuarial valuations with respect to the overall solvency of the system. Such measures shall be adopted by the division and shall be used consistently in all actuarial valuations performed on the system.

(b) The Florida Retirement System Actuarial Assumption Conference which is hereby created shall by consensus develop official information with respect to the economic and noneconomic assumptions and funding methods of the Florida Retirement System necessary to perform the study. Such information shall include: an analysis of the actuarial assumptions and actuarial methods and a determination of whether changes to the assumptions or methods need to be made due to experience changes or revised future forecasts. The members of the conference shall include the Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff of the Senate and House of Representatives who have forecasting expertise, or their designees. The Executive Office of the Governor shall have the responsibility of presiding over the sessions of the conference. The State Board of Administration and the Division of Retirement shall be participants, as defined in s. 216.134, in the conference.

Section 6. Subsection (6) of section 121.051, Florida Statutes, 1998 Supplement, as amended by chapter 96-423, Laws of Florida, is reenacted to read:

121.051 Participation in the system.—

(6) SEASONAL STATE EMPLOYMENT; BLIND VENDING FACILITY OPERATORS.—

(a) Seasonal state employment shall be included under this chapter, and the time limit and procedure for claiming same as set forth in s. 122.07 shall continue under this chapter for those members transferring to this system and for all new members.

(b)1. All blind or partially sighted persons employed or licensed by the Division of Blind Services as vending facility operators on or after December 1, 1970, and prior to July 1, 1996, are hereby declared to be state employees within the meaning of this chapter, and all vending facility operators licensed and employed during that period shall be compulsory members of the Florida Retirement System in compliance with this chapter for as long as the member is a vending facility operator, except as provided in subparagraph 3.

2. Blindness shall not be deemed a retirement disability within the provisions of this chapter for such members as are contemplated by this paragraph.

3. Any vending facility operator as described in subparagraph 1. may elect, on or before July 31, 1996, to withdraw from the Florida Retirement

System as provided in s. 413.051(11). The election to withdraw shall take effect as of July 1, 1996, and the decision to withdraw is irrevocable. A vending facility operator who withdraws from the Florida Retirement System as provided in this subparagraph shall retain all creditable service earned in the Florida Retirement System through the month that retirement contributions ceased to be reported, and no creditable service shall be earned as a vending facility operator after such month. However, any such person may participate in the Florida Retirement System in the future if employed by a participating employer in a covered position.

4. All blind or partially sighted persons employed or licensed by the Division of Blind Services as vending facility operators on or after July 1, 1996, shall be independent contractors within the meaning of this chapter and shall not be eligible for membership in the Florida Retirement System.

Section 7. Paragraph (a) of subsection (7) of section 121.052, Florida Statutes, 1998 Supplement, as amended by chapters 96-423 and 98-413, Laws of Florida, is reenacted and amended to read:

121.052 Membership class of elected officers.—

(7) CONTRIBUTIONS.—

(a) The following table states the required retirement contribution rates for members of the Elected Officers' Class and their employers in terms of a percentage of the member's gross compensation. A change in a contribution rate is effective with the first salary paid on or after the beginning date of the change. Contributions shall be made or deducted as may be appropriate for each pay period and are in addition to the contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund.

Dates of Contribution Rate Changes	Members	Employers
July 1, 1972, through September 30, 1977		
Legislators	8%	8%
All Other Members	8%	8%
October 1, 1977, through September 30, 1978		
Legislators	8%	8%
All Other Members	4%	12%
October 1, 1978, through September 30, 1979		
Legislators	8%	10.57%
All Other Members	4%	16.78%
October 1, 1979, through September 30, 1981		
Legislators	8%	10.57%
Governor, Lt. Governor, Cabinet Officers	4%	16.78%
All Other Members	0%	20.78%
July 1, 1981, through June 30, 1984		

Dates of Contribution Rate Changes	Members	Employers
County Elected Officers	0%	19.30%
July 1, 1984, through September 30, 1984		
County Elected Officers	0%	20.25%
October 1, 1981, through September 30, 1984		
Legislators	0%	19.30%
Governor, Lt. Governor, Cabinet Officers	0%	21.03%
State Attorneys, Public Defenders	0%	20.95%
Justices, Judges	0%	22.55%
October 1, 1984, through September 30, 1986		
Legislators	0%	10.98%
Governor, Lt. Governor, Cabinet Officers	0%	10.98%
State Attorneys, Public Defenders	0%	10.98%
Justices, Judges	0%	21.79%
County Elected Officers	0%	16.97%
October 1, 1986, through December 31, 1988		
Legislators	0%	11.50%
Governor, Lt. Governor, Cabinet Officers	0%	11.50%
State Attorneys, Public Defenders	0%	11.50%
Justices, Judges	0%	20.94%
County Elected Officers	0%	17.19%
January 1, 1989, through December 31, 1989		
Legislators	0%	13.70%
Governor, Lt. Governor, Cabinet Officers	0%	13.70%
State Attorneys, Public Defenders	0%	13.70%
Justices, Judges	0%	22.58%
County Elected Officers	0%	18.44%
January 1, 1990, through December 31, 1990		
Legislators	0%	15.91%
Governor, Lt. Governor, Cabinet Officers	0%	15.91%
State Attorneys, Public Defenders	0%	15.91%
Justices, Judges	0%	24.22%
County Elected Officers	0%	19.71%
January 1, 1991, through December 31, 1991		
Legislators	0%	17.73%
Governor, Lt. Governor, Cabinet		

Dates of Contribution Rate Changes	Members	Employers
Officers	0%	17.73%
State Attorneys, Public Defenders	0%	17.73%
Justices, Judges	0%	26.63%
County Elected Officers	0%	23.32%
January 1, 1992, through December 31, 1992		
Legislators	0%	19.94%
Governor, Lt. Governor, Cabinet Officers	0%	19.94%
State Attorneys, Public Defenders	0%	19.94%
Justices, Judges	0%	28.27%
County Elected Officers	0%	24.59%
January 1, 1993, through December 31, 1993		
Legislators	0%	22.14%
Governor, Lt. Governor, Cabinet Officers	0%	22.14%
State Attorneys, Public Defenders	0%	22.14%
Justices, Judges	0%	29.91%
County Elected Officers	0%	25.84%
January 1, 1994, through December 31, 1994		
Legislators	0%	22.65%
Governor, Lt. Governor, Cabinet Officers	0%	22.65%
State Attorneys, Public Defenders	0%	22.65%
Justices, Judges	0%	30.52%
County Elected Officers	0%	26.07%
January 1, 1995, through December 31, 1995		
Legislators	0%	22.80%
Governor, Lt. Governor, Cabinet Officers	0%	22.80%
State Attorneys, Public Defenders	0%	22.80%
Justices, Judges	0%	30.21%
County Elected Officers	0%	27.48%
January 1, 1996, through June 30, 1996		
Legislators	0%	22.90%
Governor, Lt. Governor, Cabinet Officers	0%	22.90%
State Attorneys, Public Defenders	0%	22.90%
Justices, Judges	0%	30.15%
County Elected Officers	0%	27.54%
July 1, 1996, through June 30, 1998		
Legislators	0%	23.07%



Dates of Contribution Rate Changes	Members	Employers
Governor, Lt. Governor, Cabinet Officers	0%	23.07%
State Attorneys, Public Defenders Justices, Judges	0%	29.55%
County Elected Officers	0%	27.33%
<u>Effective July 1, 1998, through June 30, 1999</u>		
Legislators	0%	22.33%
Governor, Lt. Governor, Cabinet Officers	0%	22.33%
State Attorneys, Public Defenders Justices, Judges	0%	27.21%
County Elected Officers	0%	26.99%
<u>Effective July 1, 1999</u>		
Legislators	0%	14.31%
Governor, Lt. Governor, Cabinet Officers	0%	14.31%
State Attorneys, Public Defenders	0%	14.31%
Justices, Judges	0%	20.48%
County Elected Officers	0%	17.05%

Section 8. Paragraph (a) of subsection (3) of section 121.055, Florida Statutes, 1998 Supplement, as amended by chapters 96-423 and 98-413, Laws of Florida, is reenacted and amended, and paragraph (e) of subsection (6) of said section is 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.

(3)(a) The following table states the required retirement contribution rates for members of the Senior Management Service Class and their employers in terms of a percentage of the member’s gross compensation. A change in the contribution rate is effective with the first salary paid on or after the beginning date of the change. Contributions shall be made for each pay period and are in addition to the contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund.

Dates of Contribution Rate Changes	Members	Employers
February 1, 1987, through December 31, 1988	0%	13.88%
January 1, 1989, through December 31, 1989	0%	14.95%
January 1, 1990, through		

Dates of Contribution Rate Changes	Members	Employers
December 31, 1990	0%	16.04%
January 1, 1991, through December 31, 1991	0%	18.39%
January 1, 1992, through December 31, 1992	0%	19.48%
January 1, 1993, through December 31, 1993	0%	20.55%
January 1, 1994, through December 31, 1994	0%	23.07%
January 1, 1995, through December 31, 1995	0%	23.88%
January 1, 1996, through June 30, 1996	0%	24.14%
July 1, 1996, through June 30, 1998	0%	21.58%
<u>Effective July 1, 1998, through June 30, 1999</u>	0%	23.10%
<u>Effective July 1, 1999</u>	0%	11.19%

(6)

(e) Benefits.—

1. Benefits shall be payable under the Senior Management Service Optional Annuity Program only to participants in the program, or their beneficiaries as designated by the participant in the contract with a provider company, and such benefits shall be paid by the designated company in accordance with the terms of the annuity contract or contracts applicable to the participant. A participant must be terminated from all employment with all Florida Retirement System employers as provided in s. 121.021(39) to begin receiving the employer-funded benefit. Benefits funded by employer contributions shall be payable only as a lifetime annuity to the participant, his beneficiary, or his estate, except for:

a. A lump-sum payment to the beneficiary upon the death of the participant; or

b. A cash-out of a de minimis account upon the request of a former participant who has been terminated for a minimum of 6 months from the employment that entitled him to optional ~~annuity retirement~~ program participation. A de minimis account is an account with a provider company containing employer contributions and accumulated earnings of not more than ~~\$5,000~~ \$3,500 made under the provisions of this chapter. Such cash-out must be a complete liquidation of the account balance with that company and is subject to the provisions of the Internal Revenue Code.

2. The benefits payable to any person under the Senior Management Service Optional Annuity Program, and any contribution accumulated under such program, shall not be subject to assignment, execution, or attachment or to any legal process whatsoever.

3. A participant who receives optional annuity program benefits funded by employer contributions shall be deemed to be retired from a state-administered retirement system in the event of subsequent employment with any employer that participates in the Florida Retirement System.

Section 9. Subsection (1) of section 121.071, Florida Statutes, 1998 Supplement, as amended by chapters 96-423 and 98-413, Laws of Florida, is reenacted and amended to read:

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

(1) The following tables state the required retirement contribution rates for members of the Regular Class, Special Risk Class, or Special Risk Administrative Support Class and their employers in terms of a percentage of the member's gross compensation. A change in a contribution rate is effective with the first salary paid on or after the beginning date of the change. Contributions shall be made or deducted as may be appropriate for each pay period and are in addition to the contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund.

(a) Retirement contributions for regular members are as follows:

Dates of Contribution Rate Changes	Members	Employers
December 1, 1970, through December 31, 1974, for state agencies, state universities, commu- nity colleges, and district school boards	4%	4%
December 1, 1970, through September 30, 1975, for all other local government agencies	4%	4%
January 1, 1975, through September 30, 1978, for state agencies and state universities	0%	9%
January 1, 1975, through July 31, 1978, for community colleges and district school boards	0%	9%
October 1, 1975, through September 30, 1978, for all other local government agencies	0%	9%
August 1, 1978, through September 30, 1981, for community colleges and district school boards	0%	9.1%
October 1, 1978, through September 30, 1981, for all other agencies	0%	9.1%
October 1, 1981, through September 30, 1984	0%	10.93%
October 1, 1984, through		

Dates of Contribution Rate Changes	Members	Employers
September 30, 1986	0%	12.24%
October 1, 1986, through December 31, 1988	0%	13.14%
January 1, 1989, through December 31, 1989	0%	13.90%
January 1, 1990, through December 31, 1990	0%	14.66%
January 1, 1991, through December 31, 1991	0%	15.72%
January 1, 1992, through December 31, 1992	0%	16.51%
January 1, 1993, through December 31, 1993	0%	17.27%
January 1, 1994, through December 31, 1994	0%	17.10%
January 1, 1995, through December 31, 1995	0%	16.91%
January 1, 1996, through June 30, 1996	0%	17.00%
July 1, 1996, through June 30, 1998	0%	16.77%
<u>Effective July 1, 1998, through June 30, 1999</u>	0%	15.51%
<u>Effective July 1, 1999</u>	<u>0%</u>	<u>9.21%</u>

(b) Retirement contributions for special risk members are as follows:

Dates of Contribution Rate Changes	Members	Employers
December 1, 1970, through September 30, 1974	6%	6%
October 1, 1974, through December 31, 1974, for state agencies, state universities, commu- nity colleges, and district school boards	8%	8%
October 1, 1974, through September 30, 1975, for all other local government agencies	8%	8%

Dates of Contribution Rate Changes	Members	Employers
January 1, 1975, through September 30, 1978, for state agencies, state universities, commu- nity colleges, and district school boards	0%	13%
October 1, 1975, through September 30, 1978, for other local government agencies	0%	13%
October 1, 1978, through September 30, 1981	0%	13.95%
October 1, 1981, through September 30, 1984	0%	13.91%
October 1, 1984, through September 30, 1986	0%	14.67%
October 1, 1986, through December 31, 1988	0%	15.11%
January 1, 1989, through December 31, 1989	0%	17.50%
January 1, 1990, through December 31, 1990	0%	19.90%
January 1, 1991, through December 31, 1991	0%	25.52%
January 1, 1992, through December 31, 1992	0%	26.35%
January 1, 1993, through December 31, 1993	0%	27.14%
January 1, 1994, through December 31, 1994	0%	27.03%
January 1, 1995, through December 31, 1995	0%	26.83%
January 1, 1996, through June 30, 1996	0%	26.84%
July 1, 1996, through June 30, 1998	0%	26.44%
<u>Effective July 1, 1998, through June 30, 1999</u>	0%	24.38%
<u>Effective July 1, 1999</u>	0%	20.22%

(c) Retirement contributions for special risk administrative support members are as follows:

Dates of Contribution Rate Changes	Members	Employers
July 1, 1982, through September 30, 1984	0%	11.14%
October 1, 1984, through September 30, 1986	0%	13.09%
October 1, 1986, through December 31, 1988	0%	15.44%
January 1, 1989, through December 31, 1989	0%	14.76%
January 1, 1990, through December 31, 1990	0%	14.09%
January 1, 1991, through December 31, 1991	0%	20.16%
January 1, 1992, through December 31, 1992	0%	19.51%
January 1, 1993, through December 31, 1993	0%	18.83%
January 1, 1994, through December 31, 1994	0%	18.59%
January 1, 1995, through December 31, 1995	0%	17.81%
January 1, 1996, through June 30, 1996	0%	17.80%
July 1, 1996, through June 30, 1998	0%	17.20%
<del>Effective July 1, 1998, through June 30, 1999</del>	0%	14.64%
<u>Effective July 1, 1999</u>	<u>0%</u>	<u>11.53</u>

Section 10. Paragraph (i) of subsection (1) and 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)

(i) An employee of a state agency who was a member of a state-administered retirement system and who was granted educational leave with pay pursuant to a written educational leave-with-pay policy may claim such period of educational leave as past service subject to the following conditions:

1. The educational leave must have occurred prior to December 31, 1971;
2. The member must have completed at least 10 years of creditable service excluding the period of the educational leave;
3. The employee must have returned to employment with a state agency employer who participated in the retirement system, which return was immediately upon termination of the educational leave, and must have remained on the employer's payroll for at least 1 calendar month 30 calendar days following the return to employment;
4. The employee must be a member of the Florida Retirement System at the time he or she claims such service;
5. Not more than 24 months of creditable service may be claimed for such period of educational leave with pay;
6. The service must not be claimed under any other state or federal retirement system; and
7. The member must pay to the retirement trust fund for claiming such past-service credit an amount equal to 8 percent of his or her gross annual salary immediately prior to the educational leave with pay for each year of past service claimed, plus 4 percent interest thereon compounded annually each June 30 from the first year of service claimed until July 1, 1975, and 6.5 percent interest thereafter on the unpaid balance compounded annually each June 30 until paid.

(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 1 complete year of creditable service within a period of 12 consecutive 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 reemployment requirement of 1 complete year of creditable service 12-month requirement. The member shall not be permitted to make any contributions for prior service until after completion of the 1 year of creditable service 12-month period. The required contributions for claiming the various types of prior service are:

(a) For prior service performed prior to the date the system becomes noncontributory for the member and for which the member had credit under one of the existing retirement systems and received a refund of contributions upon termination of employment, the member shall contribute 4 percent of

all salary received during the period being claimed, plus 4 percent interest compounded annually from date of refund until July 1, 1975, and 6.5 percent interest compounded annually thereafter, until full payment is made to the Retirement Trust Fund. A member who elected to transfer to the Florida Retirement System from an existing system may receive credit for prior service under the existing system if he or she was eligible under the existing system to claim the prior service at the time of the transfer. Contributions for such prior service shall be determined by the applicable provisions of the system under which the prior service is claimed and shall be paid by the member, with matching contributions paid by the employer at the time the service was performed. Effective July 1, 1978, the account of a person who terminated under s. 238.05(3) may not be charged interest for contributions that remained on deposit in the Annuity Savings Trust Fund established under chapter 238, upon retirement under this chapter or chapter 238.

(b) For prior service performed prior to the date the system becomes noncontributory for the member and for which the member had credit under the Florida Retirement System and received a refund of contributions upon termination of employment, the member shall contribute at the rate that was required of him or her during the period of service being claimed, on all salary received during such period, plus 4 percent interest compounded annually from date of refund until July 1, 1975, and 6.5 percent interest compounded annually thereafter, until the full payment is made to the Retirement Trust Fund.

(c) For prior service as defined in s. 121.021(19)(b) and (c) during which no contributions were made because the member did not participate in a retirement system, the member shall contribute 14.38 percent of all salary received during such period or 14.38 percent of \$100 per month during such period, whichever is greater, plus 4 percent interest compounded annually from the first year of service claimed until July 1, 1975, and 6.5 percent interest compounded annually thereafter, until full payment is made to the Retirement Trust Fund.

(d) In order to claim credit for prior service as defined in s. 121.021(19)(d) for which no retirement contributions were paid during the period of such service, the member shall contribute the total employee and employer contributions which were required to be made to the Highway Patrol Pension Trust Fund, as provided in chapter 321, during the period claimed, plus 4 percent interest compounded annually from the first year of service until July 1, 1975, and 6.5 percent interest compounded annually thereafter, until full payment is made to the Retirement Trust Fund. However, any governmental entity which employed such member may elect to pay up to 50 percent of the contributions and interest required to purchase this prior service credit.

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



(f) The employer may not be required to make contributions for prior service credit for any member, except that the employer shall pay the employer portion of contributions for any legislator who elects to withdraw from the Florida Retirement System and later rejoins the system and pays any employee contributions required in accordance with s. 121.052(3)(d).

Section 11. Paragraph (c) of subsection (4), paragraph (f) of subsection (7), and paragraphs (a) and (i) of subsection (13) of section 121.091, Florida Statutes, 1998 Supplement, are 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 division. The 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 division's rules. The 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.

(4) DISABILITY RETIREMENT BENEFIT.—

(b) Total and permanent disability.—A member shall be considered totally and permanently disabled if, in the opinion of the administrator, he or she is prevented, by reason of a medically determinable physical or mental impairment, from rendering useful and efficient service as an officer or employee.

(c) Proof of disability.—The administrator, before approving payment of any disability retirement benefit, shall require proof that the member is totally and permanently disabled as provided herein:

1. ~~Such, which~~ proof shall include the certification of the member's total and permanent disability by two licensed physicians of the state and such other evidence of disability as the administrator may require, including reports from vocational rehabilitation, evaluation, or testing specialists who have evaluated the applicant for employment.

2. It must be documented that:

a. The member's medical condition occurred or became symptomatic during the time the member was employed in an employee/employer relationship with his or her employer;

b. The member was totally and permanently disabled at the time he or she terminated covered employment; and

c. The member has not been employed with any other employer after such termination.

3. If the application is for in-line-of-duty disability, in addition to the requirements of subparagraph 2., it must be documented by competent

medical evidence that the disability was caused by a job-related illness or accident which occurred while the member was in an employee/employer relationship with his or her employer.

4. The unavailability of an employment position that the member is physically and mentally capable of performing will not be considered as proof of total and permanent disability.

(7) DEATH BENEFITS.—

(f) Notwithstanding any other provisions in this chapter to the contrary and upon application to the administrator, an eligible joint annuitant, of a member whose employment is terminated by death within 1 year of such member satisfying the service requirements for vesting and retirement eligibility, shall be permitted to purchase only the additional service credit necessary to vest and qualify for retirement benefits, not to exceed a total of 1 year of credit, by one or a combination of the following methods:

1. Such eligible joint annuitant may use the deceased member's accumulated hours of annual, sick, and compensatory leave to purchase additional creditable service, on an hour by hour basis, provided that such deceased member's accumulated leave is sufficient to cover the additional months required. For each month of service credit needed prior to the final month, credit for the total number of work hours in that month must be purchased, using an equal number of the deceased member's accumulated leave hours. Service credit required for the final month in which the deceased member would have become vested shall be awarded upon the purchase of 1 hour of credit. Such eligible joint annuitant shall pay the contribution rate in effect for the period of time being claimed for ~~at the time of purchase~~ of the deceased member's class of membership, multiplied by such member's monthly salary at the time of death, plus 6.5 percent interest compounded annually. The accumulated leave payment used in the average final compensation shall not include that portion of the payment that represents any leave hours used in the purchase of such creditable service.

2. Such eligible joint annuitant may purchase additional months of creditable service, ~~up to a maximum of 1 year,~~ for any periods of out-of-state service as provided in s. 121.1115, and ~~or~~ in-state service as provided in s. 121.1122, that the deceased member would have been eligible to purchase prior to his or her death.

Service purchased under this paragraph shall be added to the creditable service of the member and used to vest for retirement eligibility, and shall be used in the calculation of any benefits which may be payable to the eligible joint annuitant. Any benefits paid in accordance with this paragraph shall only be made prospectively.

(13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and subject to the provisions of this section, the Deferred Retirement Option Program, hereinafter referred to as the DROP, is a program under which an eligible member of the Florida Retirement System may elect to participate, deferring receipt of retirement benefits while continuing employment with

his or her Florida Retirement System employer. The deferred monthly benefits shall accrue in the System Trust Fund on behalf of the participant, plus interest compounded monthly, for the specified period of the DROP participation, as provided in paragraph (c). Upon termination of employment, the participant shall receive the total DROP benefits and begin to receive the previously determined normal retirement benefits. Participation in the DROP does not guarantee employment for the specified period of DROP.

(a) Eligibility of member to participate in the DROP.—All active Florida Retirement System members in a regularly established position, and all active members of either the Teachers' Retirement System established in chapter 238 or the State and County Officers' and Employees' Retirement System established in chapter 122 which systems are consolidated within the Florida Retirement System under s. 121.011, are eligible to elect participation in the DROP provided that:

1. The member is not a renewed member of the Florida Retirement System under s. 121.122, or a member of the State Community College System Optional Retirement Program under s. 121.051, the Senior Management Service Optional Annuity Program under s. 121.055, or the optional retirement program for the State University System under s. 121.35.

2. Election to participate is made within 12 months immediately following the date on which the member first reaches normal retirement date, or, for a member who reaches normal retirement date based on service before he or she reaches age 62, or age 55 for Special Risk Class members, election to participate may be deferred to the 12 months immediately following the date the member attains 57, or age 52 ~~50~~ for Special Risk Class members. For a member who first reached normal retirement date or the deferred eligibility date described above prior to the effective date of this section, election to participate shall be made within 12 months after the effective date of this section. A member who fails to make an election within such 12-month limitation period shall forfeit all rights to participate in the DROP. The member shall advise his or her employer and the division in writing of the date on which the DROP shall begin. Such beginning date may be subsequent to the 12-month election period, but must be within the 60-month limitation period as provided in subparagraph (b)1. When establishing eligibility of the member to participate in the DROP or the 60-month maximum participation period, the member may elect to include or exclude any optional service credit purchased by the member from the total service used to establish the normal retirement date. A member with dual normal retirement dates shall be eligible to elect to participate in DROP within 12 months after attaining normal retirement date in either class.

3. The employer of a member electing to participate in the DROP, or employers if dually employed, shall acknowledge in writing to the division the date the member's participation in the DROP begins and the date the member's employment and DROP participation will terminate.

4. Simultaneous employment of a participant by additional Florida Retirement System employers subsequent to the commencement of participation in the DROP shall be permissible provided such employers acknowledge

in writing a DROP termination date no later than the participant's existing termination date or the 60-month limitation period as provided in subparagraph (b)1.

5. A DROP participant may change employers while participating in the DROP, subject to the following:

a. A change of employment must take place without a break in service so that the member receives salary for each month of continuous DROP participation. If a member receives no salary during a month, DROP participation shall cease unless the employer verifies a continuation of the employment relationship for such participant pursuant to s. 121.021(39)(b).

b. Such participant and new employer shall notify the division on forms required by the division as to the identity of the new employer.

c. The new employer shall acknowledge, in writing, the participant's DROP termination date, which may be extended but not beyond the original 60-month period provided in subparagraph (b)1., shall acknowledge liability for any additional retirement contributions and interest required if the participant fails to timely terminate employment, and shall be subject to the adjustment required in sub-subparagraph (c)5.d. (e)4.d.

(i) Contributions.—

1. All employers paying the salary of a DROP participant filling a regularly established position shall contribute 11.56 percent of such participant's gross compensation, which shall constitute the entire employer DROP contribution with respect to such participant. Such contributions, payable to the System Trust Fund in the same manner as required in s. 121.071, shall be made as appropriate for each pay period and are in addition to contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund. Such employer, social security, and health insurance subsidy contributions are not included in the DROP.

2. The employer shall, in addition to subparagraph 1., also withhold one-half of the entire social security contribution required for the participant. Contributions for social security by each participant and each employer, in the amount required for social security coverage as now or hereafter provided by the federal Social Security Act, shall be in addition to contributions specified in subparagraph 1.

3. All employers paying the salary of a DROP participant filling a regularly established position shall contribute the 0.66 percent of such participant's gross compensation required in s. 121.071(4), which shall constitute the employer's health insurance subsidy contribution with respect to such participant. Such contributions shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

Section 12. Subsection (3) of section 121.122, Florida Statutes, 1998 Supplement, is amended to read:

121.122 Renewed membership in system.—Except as provided in s. 121.053, effective July 1, 1991, any retiree of a state-administered retire-

ment system who is employed in a regularly established position with a covered employer shall be enrolled as a compulsory member of the Regular Class of the Florida Retirement System or, effective July 1, 1997, any retiree of a state-administered retirement system who is employed in a position included in the Senior Management Service Class shall be enrolled as a compulsory member of the Senior Management Service Class of the Florida Retirement System as provided in s. 121.055, and shall be entitled to receive an additional retirement benefit, subject to the following conditions:

(3) Such member shall be entitled to purchase additional retirement credit in the Regular Class or the Senior Management Service Class, as applicable, for any postretirement service performed in a regularly established position as follows:

(a) For regular class service prior to July 1, 1991, by paying the Regular Class applicable employee and employer contributions for the period being claimed, plus 4 percent interest compounded annually from first year of service claimed until July 1, 1975, and 6.5 percent interest compounded thereafter, until full payment is made to the Florida Retirement System Trust Fund; or

(b) For Senior Management Service Class prior to June 1, 1997, as provided in s. 121.055(1)(~~h~~)(i).

The contribution for postretirement service between July 1, 1985, and July 1, 1991, for which the reemployed retiree contribution was paid, shall be the difference between such contribution and the total applicable contribution for the period being claimed, plus interest. The employer of such member may pay the applicable employer contribution in lieu of the member. If a member does not wish to claim credit for all of the postretirement service for which he or she is eligible, the service the member claims must be the most recent service.

Section 13. Subsection (5) of section 121.24, Florida Statutes, is renumbered as subsection (6), and a new subsection (5) is added to said section, to read:

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

(5) The State Retirement Commission has the authority to adopt rules pursuant to ss. 120.54 and 120.536(1) to implement the provisions of law conferring duties upon the commission.

Section 14. Paragraph (a) of subsection (5) of section 121.35, Florida Statutes, 1998 Supplement, is amended to read:

121.35 Optional retirement program for the State University System.—

(5) BENEFITS.—

(a) Benefits shall be payable under the optional retirement program only to vested participants in the program, or their beneficiaries as designated

by the participant in the contract with a provider company, and such benefits shall be paid only by the designated company in accordance with the terms of the annuity contract or contracts applicable to the participant. The participant must be terminated from all employment with all Florida Retirement System employers, as provided in s. 121.021(39), to begin receiving the employer-funded benefit. Benefits funded by employer contributions shall be payable only as a lifetime annuity to the participant, his beneficiary, or his estate, except for:

1. A lump-sum payment to the beneficiary upon the death of the participant; or

2. A cash-out of a de minimis account upon the request of a former participant who has been terminated for a minimum of 6 months from the employment that entitled him to optional retirement program participation. A de minimis account is an account with a provider company containing employer contributions and accumulated earnings of not more than \$5,000 ~~\$3,500~~ made under the provisions of this chapter. Such cash-out must be a complete liquidation of the account balance with that company and is subject to the provisions of the Internal Revenue Code.

Section 15. Subsection (11) of section 121.40, Florida Statutes, 1998 Supplement, is amended, and subsection (12) of said section, as amended by chapters 96-423 and 98-413, Laws of Florida, is reenacted to read:

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

(4) ELIGIBILITY FOR SUPPLEMENT.—To be eligible for a benefit pursuant to the provisions of this section, a person must meet all of the following eligibility criteria:

(e) The person must not be entitled to any benefit from a state-supported retirement system or from social security based upon service as a cooperative extension employee of the institute. Participation in the Institute of Food and Agricultural Sciences Supplemental Retirement Program shall not constitute membership in the Florida Retirement System.

(11) EMPLOYMENT AFTER RETIREMENT: LIMITATION.—

(a) Any person who is receiving a supplemental retirement benefit under this section may be reemployed by any private or public employer after retirement and receive supplemental retirement benefits pursuant to this section and compensation from his or her employer, without any limitations. However, if a retired participant who is receiving a supplemental retirement benefit under this section is reemployed at the institute in a position as a cooperative extension employee of the institute, he or she shall forfeit all rights to supplemental retirement benefits in accordance with the eligibility provisions of subsection (4)(e), except that no person may receive both a salary from reemployment with any agency participating in the Florida Retirement System and supplemental retirement benefits under this section for a period of 12 months immediately subsequent to the date of retirement.

~~(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 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 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.~~

~~(c) The reemployment by an employer participating in the Florida Retirement System of any person receiving supplemental retirement benefits under this section shall have no effect on the amount of the supplemental benefit of that person. Prior to July 1, 1991, upon employment of any person, other than an elected officer as provided in s. 121.053, who is receiving supplemental retirement benefits under this section, the employer shall pay retirement contributions in an amount equal to the unfunded actuarial accrued liability portion of the employer contribution which would be required for regular members of the Florida Retirement System. Effective July 1, 1991, contributions shall be made as provided in s. 121.122 for renewed membership.~~

~~(d) The limitations of this subsection apply to reemployment in any capacity with an "employer" as defined in s. 121.021(10), irrespective of the category of funds from which the person is compensated.~~

## (12) CONTRIBUTIONS.—

(a) For the purposes of funding the supplemental benefits provided by this section, the institute is authorized and required to pay, commencing July 1, 1985, the necessary monthly contributions from its appropriated budget. These amounts shall be paid into the Institute of Food and Agricultural Sciences Supplemental Retirement Trust Fund, which is hereby created.

(b) The monthly contributions required to be paid pursuant to paragraph (a) on the gross monthly salaries, from all sources with respect to such employment, paid to those employees of the institute who hold both state and federal appointments and who participate in the federal Civil Service Retirement System shall be as follows:

Dates of Contribution Rate Changes	Percentage Due
July 1, 1985, through December 31, 1988	6.68%
January 1, 1989, through December 31, 1993	6.35%
January 1, 1994, through December 31, 1994	6.69%
January 1, 1995, through June 30, 1996	6.82%
July 1, 1996, through June 30, 1998	5.64%
Effective July 1, 1998	7.17%

Section 16. Subsection (11) of section 413.051, Florida Statutes, 1998 Supplement, as amended by chapter 96-423 and subsection (12) of said section, as amended by chapters 96-423 and 98-149, Laws of Florida, are reenacted 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 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.

(12) The Division of Blind Services may adopt rules to permit the division to establish and maintain vending facilities, issue licenses, establish and maintain a vending facility training program, provide vendors access to financial data of the program, set aside funds from net proceeds of the vending facility, provide for the transfer and promotion of vendors, establish a vendors committee, provide for an operation agreement, provide duties and responsibilities of the division with respect to the vending facility program, and provide procedures for newspaper vending sales.

Section 17. Paragraph (b) of subsection (1) of section 175.071, Florida Statutes, 1998 Supplement, is amended to read:



175.071 General powers and duties of board of trustees.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

- (1) The board of trustees may:
- (b) Invest and reinvest the assets of the firefighters' pension trust fund in:
  1. Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings, building, and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund.
  2. Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.
  3. Bonds issued by the State of Israel.
  4. Bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided:
    - a. The corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the Nasdaq Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service; and
    - b. The board of trustees shall not invest more than 5 percent of its assets in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5 percent of the outstanding capital stock of that company or the aggregate of its investments under this subparagraph at cost exceed 50 percent of the assets of the fund.

This paragraph shall apply to all boards of trustees and participants. However, in the event that a municipality or special fire control district has a duly enacted pension plan pursuant to, and in compliance with, s. 175.351, and the trustees thereof desire to vary the investment procedures herein, the trustees of such plan shall request a variance of the investment procedures as outlined herein only through a municipal ordinance, special act of the Legislature, or resolution by the governing body of the special fire control district; where a special act, or a municipality by ordinance adopted prior to July 1, 1998, permits a greater than 50-percent equity investment, such municipality shall not be required to comply with the aggregate equity investment provisions of this paragraph. Notwithstanding any other provision of law to the contrary, nothing in this section may be construed to take away any preexisting legal authority to make equity investments that exceed the requirements of this paragraph. The board of trustees may invest up to 10 percent of plan assets in foreign securities.

Section 18. Paragraph (b) of subsection (1) of section 185.06, Florida Statutes, 1998 Supplement, is amended to read:

185.06 General powers and duties of board of trustees.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(1) The board of trustees may:

(b) Invest and reinvest the assets of the retirement trust fund in:

1. Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund.

2. Obligations of the United States or obligations guaranteed as to principal and interest by the United States.

3. Bonds issued by the State of Israel.

4. Bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided:

a. The corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the Nasdaq Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service; and

b. The board of trustees shall not invest more than 5 percent of its assets in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5 percent of the outstanding capital stock of the company or the aggregate of its investments under this subparagraph at cost exceed 50 percent of the fund's assets.

This paragraph shall apply to all boards of trustees and participants. However, in the event that a municipality has a duly enacted pension plan pursuant to, and in compliance with, s. 185.35 and the trustees thereof desire to vary the investment procedures herein, the trustees of such plan shall request a variance of the investment procedures as outlined herein only through a municipal ordinance or special act of the Legislature; where a special act, or a municipality by ordinance adopted prior to July 1, 1998, permits a greater than 50-percent equity investment, such municipality shall not be required to comply with the aggregate equity investment provisions of this paragraph. Notwithstanding any other provision of law to the contrary, nothing in this section may be construed to take away any preexisting legal authority to make equity investments that exceed the require-

ments of this paragraph. The board of trustees may invest up to 10 percent of plan assets in foreign securities.

Section 19. Section 121.027, Florida Statutes, is repealed.

Section 20. The Governor, Comptroller, and Treasurer, sitting as the Board of Trustees of the State Board of Administration, shall review the actuarial valuation report prepared in accordance with the provisions of chapter 121, Florida Statutes. The Board shall review the process by which Florida Retirement System contribution rates are determined and recommend and submit any comments regarding the process to the Legislature.

Section 21. Section 112.18, Florida Statutes, is amended to read:

112.18 Firefighters and state law enforcement officers; special provisions relative to disability.—

(1) Any condition or impairment of health of any Florida state, municipal, county, port authority, special tax district, or fire control district firefighter or state law enforcement officer caused by tuberculosis, heart disease, or hypertension resulting in total or partial disability or death shall be presumed to have been accidental and to have been suffered in the line of duty unless the contrary be shown by competent evidence. However, any such firefighter or state law enforcement officer shall have successfully passed a physical examination upon entering into any such service as a firefighter or state law enforcement officer, which examination failed to reveal any evidence of any such condition. Such presumption shall not apply to benefits payable under or granted in a policy of life insurance or disability insurance, unless the insurer and insured have negotiated for such additional benefits to be included in the policy contract.

(2) This section shall be construed to authorize the above governmental entities to negotiate policy contracts for life and disability insurance to include accidental death benefits or double indemnity coverage which shall include the presumption that any condition or impairment of health of any firefighter caused by tuberculosis, heart disease, or hypertension resulting in total or partial disability or death was accidental and suffered in the line of duty, unless the contrary be shown by competent evidence.

Section 22. Paragraph (c) is added to subsection (15) of section 121.021, Florida Statutes, 1998 Supplement, 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:

(15)

(c) Effective October 1, 1999, “special risk member” means a member of the Florida Retirement System who is designated as a special risk member by the division in accordance with s. 121.0515. Such member must be employed as a law enforcement officer, a firefighter, a correctional officer, an emergency medical technician, or a paramedic and must meet certain other special criteria as set forth in s. 121.0515.

Section 23. Subsections (1) and (2) and paragraph (a) 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.—

(1) LEGISLATIVE INTENT.—In creating the Special Risk Class of membership within the Florida Retirement System, it is the intent and purpose of the Legislature to recognize that persons employed in certain categories of law enforcement, firefighting, ~~and criminal detention, and~~ emergency medical care positions are required as one of the essential functions of their positions to perform work that is physically demanding or arduous, or work that requires extraordinary agility and mental acuity, and that such persons, because of diminishing physical and mental faculties, may find that they are not able, without risk to the health and safety of themselves, the public, or their coworkers, to continue performing such duties and thus enjoy the full career and retirement benefits enjoyed by persons employed in other positions and that, if they find it necessary, due to the physical and mental limitations of their age, to retire at an earlier age and usually with less service, they will suffer an economic deprivation therefrom. Therefore, as a means of recognizing the peculiar and special problems of this class of employees, it is the intent and purpose of the Legislature to establish a class of retirement membership that awards more retirement credit per year of service than that awarded to other employees; however, nothing contained herein shall require ineligibility for special risk membership upon reaching age 55.

(2) CRITERIA.—A member, to be designated as a special risk member, must meet the following criteria:

(a) The member must be employed as a law enforcement officer and be certified, or required to be certified, in compliance with s. 943.1395; however, sheriffs and elected police chiefs shall be excluded from meeting the certification requirements of this paragraph. In addition, the member's duties and responsibilities must include the pursuit, apprehension, and arrest of law violators or suspected law violators; or the member must be an active member of a bomb disposal unit whose primary responsibility is the location, handling, and disposal of explosive devices; or the member must be the supervisor or command officer of a member or members who have such responsibilities; provided, however, administrative support personnel, including, but not limited to, those whose primary duties and responsibilities are in accounting, purchasing, legal, and personnel, shall not be included;

(b) The member must be employed as a firefighter and be certified, or required to be certified, in compliance with s. 633.35 and be employed solely within the fire department of the employer or agency of state government. In addition, the member's duties and responsibilities must include on-scene fighting of fires or direct supervision of firefighting units, or the member must be the supervisor or command officer of a member or members who have such responsibilities; provided, however, administrative support personnel, including, but not limited to, those whose primary duties and respon-

sibilities are in accounting, purchasing, legal, and personnel, shall not be included; ~~or~~

(c) The member must be employed as a correctional officer and be certified, or required to be certified, in compliance with s. 943.1395. In addition, the member's primary duties and responsibilities must be the custody, and physical restraint when necessary, of prisoners or inmates within a prison, jail, or other criminal detention facility, or while on work detail outside the facility, or while being transported; or the member must be the supervisor or command officer of a member or members who have such responsibilities; provided, however, administrative support personnel, including, but not limited to, those whose primary duties and responsibilities are in accounting, purchasing, legal, and personnel, shall not be included; however, superintendents and assistant superintendents shall participate in the Special Risk Class; ~~or~~

(d) The member must be employed by a licensed Advance Life Support (ALS) or Basic Life Support (BLS) employer as an emergency medical technician or a paramedic and be certified in compliance with s. 401.27. In addition, the member's primary duties and responsibilities must include on-scene emergency medical care. However, administrative support personnel, including, but not limited to, those whose primary responsibilities are in accounting, purchasing, legal, and personnel, shall not be included.

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

(a) A special risk member who is moved or reassigned to a nonspecial risk law enforcement, firefighting, ~~or~~ correctional, or emergency medical care administrative support position with the same agency, or who is subsequently employed in such a position with any law enforcement, firefighting, ~~or~~ correctional, or emergency medical care agency under the Florida Retirement System, shall participate in the Special Risk Administrative Support Class and shall earn credit for such service at the same percentage rate as that earned by a regular member. Notwithstanding the provisions of subsection (4), service in such an administrative support position shall, for purposes of s. 121.091, apply toward satisfaction of the special risk normal retirement date, as defined in s. 121.021(29)(b), provided that, while in such position, the member remains certified as a law enforcement officer, firefighter, ~~or~~ correctional officer, emergency medical technician, or paramedic; remains subject to reassignment at any time to a position qualifying for special risk membership; and completes an aggregate of 10 or more years of service as a designated special risk member prior to retirement.

Section 24. The Legislature finds that a proper and legitimate state purpose is served when employees and retirees of the state and of its political subdivisions, and the dependents, survivors, and beneficiaries of such employees and retirees, are extended the basic protections afforded by governmental retirement systems that provide fair and adequate benefits and that are managed, administered, and funded in an actuarially sound manner, as required by s. 14 of Art. X of the State Constitution and part VII of chapter 112 of the Florida Statutes. Therefore, the Legislature hereby deter-

mines and declares that the provisions of this act fulfill an important state interest.

Section 25. It is the intent of the legislature to review the current benefits provided under the Florida Retirement System during the 2000 Legislative Session. To this end, prior to February 1, 2000, the Senate Fiscal Policy Committee, the Senate Governmental Oversight and Productivity Committee, the House Governmental Operations Committee and the House General Appropriations Committee will review the current Florida Retirement System and make recommendations to the presiding officers regarding the costs and benefits of alternative retirement plan options on both the employers and employees. Recommendations shall include a defined contribution plan.

Section 26. This act shall take effect upon becoming law, except that the reenactment of subsection (6) of section 121.051, paragraph (a) of subsection (7) of section 121.052, paragraph (a) of subsection (3) of section 121.055, subsection (1) of section 121.071, subsection (12) of section 121.40, and subsections (11) and (12) of section 413.051, Florida Statutes, shall operate retroactively to June 7, 1996, and except that the amendments to paragraph (c) of subsection (15) of section 121.021, and subsections (1) and (2) and paragraph (a) of subsection (7) of section 121.0515, Florida Statutes, shall take effect October 1, 1999.

Approved by the Governor June 18, 1999.

Filed in Office Secretary of State June 18, 1999.