

1 A bill to be entitled

2 An act relating to the Florida Retirement System; creating  
 3 s. 121.047, F.S.; consolidating the operation of the  
 4 Institute of Food and Agricultural Sciences Supplemental  
 5 Retirement Program under the Florida Retirement System;  
 6 providing for assumption of program liabilities and  
 7 obligations; abolishing the Institute of Food and  
 8 Agricultural Sciences Supplemental Retirement Trust Fund;  
 9 barring program participants from membership in the  
 10 Florida Retirement System; amending s. 121.40, F.S.,  
 11 relating to the establishment and administration of the  
 12 Institute of Food and Agricultural Sciences Supplemental  
 13 Retirement Program; conforming provisions to changes made  
 14 by the act; redefining the term "trust fund" for purposes  
 15 of administering the program; providing a rate of monthly  
 16 contributions; removing provisions relating to investments  
 17 of the program trust fund; providing a legislative finding  
 18 that the act fulfills an important state interest;  
 19 providing an effective date.

20  
 21 Be It Enacted by the Legislature of the State of Florida:

22  
 23 Section 1. Section 121.047, Florida Statutes, is created to  
 24 read:

25 121.047 Consolidation of liabilities and assets; Institute  
 26 of Food and Agricultural Sciences Supplemental Retirement  
 27 Program; restriction.--

28 (1) Effective July 1, 2007, the Institute of Food and  
 29 Agricultural Sciences Supplemental Retirement Program, as

30 established under s. 121.40, shall be consolidated under the  
 31 Florida Retirement System and the system shall assume:

32 (a) All liabilities related to the payment of supplemental  
 33 monthly benefits to retired employees of the institute and their  
 34 surviving beneficiaries; and

35 (b) All obligations in regard to funding and administering  
 36 benefits accrued for the benefit of retired employees of the  
 37 institute and their surviving beneficiaries.

38 (2) The administrator shall, as of July 1, 2007, cause to  
 39 be transferred to the trust fund of the Florida Retirement System  
 40 all assets of the Institute of Food and Agricultural Sciences  
 41 Supplemental Retirement Trust Fund, including moneys, securities,  
 42 and other property accumulated to date, as well as all  
 43 liabilities and obligations connected therewith. Upon such  
 44 transfer of assets, liabilities, and obligations, the Institute  
 45 of Food and Agricultural Sciences Supplemental Retirement Trust  
 46 Fund shall be abolished and the administrator shall become the  
 47 trustee of any funds transferred to the Florida Retirement  
 48 System.

49 (3) Participation in the Institute of Food and Agricultural  
 50 Sciences Supplemental Retirement Program does not constitute  
 51 membership in the Florida Retirement System.

52 Section 2. Section 121.40, Florida Statutes, is amended to  
 53 read:

54 121.40 Cooperative extension personnel at the Institute of  
 55 Food and Agricultural Sciences; supplemental retirement  
 56 benefits.--

57 (1) SHORT TITLE.--This section shall be known and may be  
 58 cited as the "Institute of Food and Agricultural Sciences

59 Supplemental Retirement Act."

60 (2) PURPOSE.--The purpose of this act is to provide a  
 61 supplement to the monthly retirement benefits being paid under  
 62 the federal Civil Service Retirement System to, or with respect  
 63 to, certain retired employees of the Institute of Food and  
 64 Agricultural Sciences at the University of Florida, whose  
 65 positions were ineligible for coverage under a state-supported  
 66 retirement system.

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

71 (a) "Institute" means the Institute of Food and  
 72 Agricultural Sciences of the University of Florida.

73 (b) "Department" means the Department of Management  
 74 Services.

75 (c) "Participant" means any employee of the institute who  
 76 is eligible to receive a supplemental benefit under this program  
 77 as provided in subsection (4).

78 (d) "Trust fund" means the Florida Retirement System  
 79 ~~Institute of Food and Agricultural Sciences Supplemental~~  
 80 ~~Retirement~~ Trust Fund.

81 (e) "Creditable service" means any service subsequent to  
 82 December 1, 1970, with the institute as a cooperative extension  
 83 employee holding both state and federal appointments, that is  
 84 credited for retirement purposes by the institute toward a  
 85 federal Civil Service Retirement System annuity.

86 (4) ELIGIBILITY FOR SUPPLEMENT.--To be eligible for a  
 87 benefit under this program pursuant to the provisions of this

88 section, a person must meet all of the following eligibility  
89 criteria:

90 (a) The person must have held both state and federal  
91 appointments while employed at the institute, and have completed  
92 10 years of creditable service with the institute, subsequent to  
93 December 1, 1970.

94 (b) The person must be participating in the federal Civil  
95 Service Retirement System based on service at the institute.

96 (c) The person must have retired from the institute on or  
97 after January 1, 1985, and must have been eligible for benefits  
98 under the federal Civil Service Retirement System commencing  
99 immediately upon the termination of service with the institute.

100 (d) The person must have attained the age of 62.

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

107 (f) The person must have been employed with the institute  
108 prior to, and on, July 1, 1983.

109 (5) SUPPLEMENT AMOUNT.--The supplemental payment shall  
110 provide a benefit to the retiree equal to the amount by which the  
111 retirement annuity, without a survivor benefit, earned by the  
112 employee under the federal Civil Service Retirement System with  
113 respect to service as a cooperative extension employee of the  
114 institute after December 1, 1970, is inferior to:

115 (a) An amount equal to the option one retirement benefit  
116 that the employee would have been entitled to receive at his or

117 her normal retirement age under the Florida Retirement System,  
 118 attributable only to creditable service after December 1, 1970,  
 119 as a cooperative extension employee of the institute, excluding  
 120 any past or prior service credit, had such employee been a member  
 121 of the Florida Retirement System; plus

122 (b) An amount equal to the primary insurance amount that  
 123 the individual employee would have been entitled to receive under  
 124 social security at age 62 had he or she been covered for such  
 125 employment, such amount to be computed in accordance with the  
 126 Social Security Act only with respect to employment as a  
 127 cooperative extension employee of the institute after December 1,  
 128 1970.

129 (6) PAYMENT OF SUPPLEMENT.--Any participant who retires on  
 130 or after January 1, 1985, from the federal Civil Service  
 131 Retirement System as a cooperative extension employee of the  
 132 institute at the University of Florida and who satisfies all of  
 133 the eligibility criteria specified in subsection (4) shall be  
 134 entitled to receive a supplemental benefit under this program  
 135 computed in accordance with subsection (5), to begin July 1,  
 136 1985, or the month of retirement, or the month in which the  
 137 participant becomes age 62, whichever is later. Upon application  
 138 to the administrator, the participant shall receive a monthly  
 139 supplemental benefit which shall commence on the last day of the  
 140 month of retirement and shall be payable on the last day of the  
 141 month thereafter during his or her lifetime. A participant may  
 142 have federal income tax and health insurance premiums deducted  
 143 from his or her monthly supplemental benefit in the same manner  
 144 as provided in s. 121.091(14)(a) and (b) for monthly retirement  
 145 benefits under the Florida Retirement System.

PCB GEAC 07-03

ORIGINAL

2007

146 (7) OPTIONAL FORMS OF SUPPLEMENTAL RETIREMENT BENEFITS.--  
147 Prior to the receipt of the first monthly supplemental retirement  
148 payment under this program, a participant shall elect to receive  
149 the supplemental retirement benefits to which he or she is  
150 entitled under subsection (6) in accordance with s. 121.091(6).

151 (8) DEATH BENEFITS.--

152 (a) If the employment of a participant of this program is  
153 terminated by reason of his or her death subsequent to the  
154 completion of 10 years of creditable service with the institute  
155 but prior to his or her actual retirement, such 10-year period  
156 having commenced on or after December 1, 1970, it shall be  
157 assumed that the participant had met all of the eligibility  
158 requirements under this section and had retired from the federal  
159 Civil Service Retirement System and under this section as of the  
160 date of death, having elected, in accordance with subsection (7),  
161 the optional form of supplemental payment most favorable to his  
162 or her beneficiary, as determined by the administrator. The  
163 monthly supplemental benefit provided in this paragraph shall be  
164 paid to the participant's beneficiary (spouse or other financial  
165 dependent) upon such beneficiary's attaining the age of 62 and  
166 shall be paid thereafter for the beneficiary's lifetime.

167 (b) If a participant of this program dies subsequent to his  
168 or her actual retirement under the federal Civil Service  
169 Retirement System but prior to attaining age 62, and such  
170 participant was otherwise eligible for supplemental benefits  
171 under this section, it shall be assumed that the participant had  
172 met all of the eligibility requirements under this section and  
173 had retired as of the date of death, having elected, in  
174 accordance with subsection (7), the optional form of supplemental

175 | payment most favorable to his or her beneficiary, as determined  
 176 | by the administrator. The monthly supplemental benefit provided  
 177 | in this paragraph shall be paid to the participant's beneficiary  
 178 | (spouse or other financial dependent) upon such beneficiary's  
 179 | attaining the age of 62 and shall be paid thereafter for the  
 180 | beneficiary's lifetime.

181 | (9) DESIGNATION OF BENEFICIARIES.--Each participant of this  
 182 | program may designate beneficiaries in accordance with s.  
 183 | 121.091(8).

184 | (10) COST-OF-LIVING ADJUSTMENT OF SUPPLEMENTAL BENEFITS.--  
 185 | On each July 1, the supplemental benefit of each retired  
 186 | participant of this program and each annuitant thereof shall be  
 187 | adjusted as provided in s. 121.101.

188 | (11) EMPLOYMENT AFTER RETIREMENT: LIMITATION.--Any person  
 189 | who is receiving a supplemental retirement benefit under this  
 190 | program section may be reemployed by any private or public  
 191 | employer after retirement and receive supplemental retirement  
 192 | benefits pursuant to this section and compensation from his or  
 193 | her employer, without any limitations. However, if a retired  
 194 | participant who is receiving a supplemental retirement benefit  
 195 | under this section is reemployed at the institute in a position  
 196 | as a cooperative extension employee of the institute, he or she  
 197 | shall forfeit all rights to supplemental retirement benefits in  
 198 | accordance with the eligibility provisions of paragraph (4)(e).

199 | (12) CONTRIBUTIONS.--

200 | (a) For the purpose ~~purposes~~ of funding the supplemental  
 201 | benefits provided by this section, the institute is authorized  
 202 | and required to pay, commencing July 1, 1985, the necessary  
 203 | monthly contributions from its appropriated budget. These amounts

PCB GEAC 07-03

ORIGINAL

2007

204 shall be paid into the Florida Retirement System ~~Institute of~~  
 205 ~~Food and Agricultural Sciences Supplemental Retirement~~ Trust  
 206 Fund, ~~which is hereby created.~~

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

Dates of Contribution	Percentage
Rate Changes	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%
July 1, 1998, through June 30,	7.17%



PCB GEAC 07-03

ORIGINAL

2007

2001

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July 1, 2001, through June 30, 6.96%

2003

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July 1, 2003, through June 30, 13.83%

2005

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~~Effective~~ July 1, 2005, through June 30, 2007 20.23%

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Effective July 1, 2007 18.75%

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~~(13) INVESTMENT OF THE TRUST FUND.~~

~~(a) The State Board of Administration shall invest and reinvest available funds of the trust fund in accordance with the provisions of ss. 215.44 215.53. The board shall consider investment techniques, such as contingent immunization or the development of a dedicated portfolio, which are directed toward developing minimum risk procedures for supporting a prescribed liability schedule.~~

~~(b) Costs incurred in carrying out the provisions of this section shall be deducted from the interest earnings accruing to the trust fund.~~

~~(13)-(14)~~ ADMINISTRATION OF PROGRAM SYSTEM. --

(a) The department shall make such rules as are necessary for the effective and efficient administration of this program system. The secretary of the department shall be the

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241 administrator of the program ~~system~~. The funds to pay the  
 242 expenses for such administration shall be appropriated from the  
 243 interest earned on investments made for the Florida Retirement  
 244 System Trust Fund.

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

249 ~~(c) The administrator shall cause an actuarial study of the~~  
 250 ~~system to be made at least once every 2 years and shall report~~  
 251 ~~the results of such study to the next session of the Legislature~~  
 252 ~~following completion of the study.~~

253 Section 3. The Legislature finds that a proper and  
 254 legitimate state purpose is served when employees and retirees of  
 255 the state and of its political subdivisions, and the dependents,  
 256 survivors, and beneficiaries of such employees and retirees, are  
 257 extended the basic protections afforded by governmental  
 258 retirement systems that provide fair and adequate benefits that  
 259 are managed, administered, and funded in an actuarially sound  
 260 manner, as required by Section 14, Article X of the State  
 261 Constitution and part VII of chapter 112 of the Florida Statutes.  
 262 Therefore, the Legislature determines and declares that this act  
 263 fulfills an important state interest.

264 Section 4. This act shall take effect July 1, 2007.