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1
 2 An act relating to the Florida Retirement System;
 3 amending s. 121.091, F.S.; authorizing certain
 4 retirees to be reemployed after terminating
 5 employment; prohibiting such retirees from receiving
 6 both a salary from the employer and retirement
 7 benefits for a specified period after his or her
 8 retirement; removing provisions authorizing the
 9 reemployment of certain law enforcement officers as
 10 school resource officers; amending s. 121.1001, F.S.;
 11 prohibiting new participation in a specified plan
 12 beginning on a specified date; amending s. 121.71,
 13 F.S.; revising employer contribution rates to the
 14 Florida Retirement System; amending s. 121.591, F.S.;
 15 conforming a cross-reference; providing a declaration
 16 of important state interest; providing an effective
 17 date.

18
 19 Be It Enacted by the Legislature of the State of Florida:

20
 21 Section 1. Subsection (9) of section 121.091, Florida
 22 Statutes, is amended to read:

23 121.091 Benefits payable under the system.—Benefits may
 24 not be paid under this section unless the member has terminated
 25 employment as provided in s. 121.021(39) (a) or begun

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26 participation in the Deferred Retirement Option Program as
27 provided in subsection (13), and a proper application has been
28 filed in the manner prescribed by the department. The department
29 may cancel an application for retirement benefits when the
30 member or beneficiary fails to timely provide the information
31 and documents required by this chapter and the department's
32 rules. The department shall adopt rules establishing procedures
33 for application for retirement benefits and for the cancellation
34 of such application when the required information or documents
35 are not received.

36 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

37 (a) Any person who is retired under this chapter, except
38 under the disability retirement provisions of subsection (4),
39 may be employed by an employer that does not participate in a
40 state-administered retirement system and receive compensation
41 from that employment without limiting or restricting in any way
42 the retirement benefits payable to that person.

43 (b) Any person whose retirement is effective before July
44 1, 2010, or whose participation in the Deferred Retirement
45 Option Program terminates before July 1, 2010, except under the
46 disability retirement provisions of subsection (4) or as
47 provided in s. 121.053, may be reemployed by an employer that
48 participates in a state-administered retirement system and
49 receive retirement benefits and compensation from that employer,
50 except that the person may not be reemployed by an employer

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51 participating in the Florida Retirement System before meeting
52 the definition of termination in s. 121.021 and may not receive
53 both a salary from the employer and retirement benefits for 12
54 calendar months immediately subsequent to the date of
55 retirement. However, a DROP participant shall continue
56 employment and receive a salary during the period of
57 participation in the Deferred Retirement Option Program, as
58 provided in subsection (13).

59 1. A retiree who violates such reemployment limitation
60 before completion of the 12-month limitation period must give
61 timely notice of this fact in writing to the employer and to the
62 Division of Retirement or the state board and shall have his or
63 her retirement benefits suspended for the months employed or the
64 balance of the 12-month limitation period as required in sub-
65 subparagraphs b. and c. A retiree employed in violation of this
66 paragraph and an employer who employs or appoints such person
67 are jointly and severally liable for reimbursement to the
68 retirement trust fund, including the Florida Retirement System
69 Trust Fund and the Florida Retirement System Investment Plan
70 Trust Fund, from which the benefits were paid. The employer must
71 have a written statement from the retiree that he or she is not
72 retired from a state-administered retirement system. Retirement
73 benefits shall remain suspended until repayment has been made.
74 Benefits suspended beyond the reemployment limitation shall
75 apply toward repayment of benefits received in violation of the

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76 | reemployment limitation.

77 | a. A district school board may reemploy a retiree as a
 78 | substitute or hourly teacher, education paraprofessional,
 79 | transportation assistant, bus driver, or food service worker on
 80 | a noncontractual basis after he or she has been retired for 1
 81 | calendar month. A district school board may reemploy a retiree
 82 | as instructional personnel, as defined in s. 1012.01(2) (a), on
 83 | an annual contractual basis after he or she has been retired for
 84 | 1 calendar month. Any member who is reemployed within 1 calendar
 85 | month after retirement shall void his or her application for
 86 | retirement benefits. District school boards reemploying such
 87 | teachers, education paraprofessionals, transportation
 88 | assistants, bus drivers, or food service workers are subject to
 89 | the retirement contribution required by subparagraph 2.

90 | b. A Florida College System institution board of trustees
 91 | may reemploy a retiree as an adjunct instructor or as a
 92 | participant in a phased retirement program within the Florida
 93 | College System, after he or she has been retired for 1 calendar
 94 | month. A member who is reemployed within 1 calendar month after
 95 | retirement shall void his or her application for retirement
 96 | benefits. Boards of trustees reemploying such instructors are
 97 | subject to the retirement contribution required in subparagraph
 98 | 2. A retiree may be reemployed as an adjunct instructor for no
 99 | more than 780 hours during the first 12 months of retirement. A
 100 | retiree reemployed for more than 780 hours during the first 12

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101 months of retirement must give timely notice in writing to the
102 employer and to the Division of Retirement or the state board of
103 the date he or she will exceed the limitation. The division
104 shall suspend his or her retirement benefits for the remainder
105 of the 12 months of retirement. Any retiree employed in
106 violation of this sub-subparagraph and any employer who employs
107 or appoints such person without notifying the division to
108 suspend retirement benefits are jointly and severally liable for
109 any benefits paid during the reemployment limitation period. The
110 employer must have a written statement from the retiree that he
111 or she is not retired from a state-administered retirement
112 system. Any retirement benefits received by the retiree while
113 reemployed in excess of 780 hours during the first 12 months of
114 retirement must be repaid to the Florida Retirement System Trust
115 Fund, and retirement benefits shall remain suspended until
116 repayment is made. Benefits suspended beyond the end of the
117 retiree's first 12 months of retirement shall apply toward
118 repayment of benefits received in violation of the 780-hour
119 reemployment limitation.

120 c. The State University System may reemploy a retiree as
121 an adjunct faculty member or as a participant in a phased
122 retirement program within the State University System after the
123 retiree has been retired for 1 calendar month. A member who is
124 reemployed within 1 calendar month after retirement shall void
125 his or her application for retirement benefits. The State

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126 University System is subject to the retired contribution
127 required in subparagraph 2., as appropriate. A retiree may be
128 reemployed as an adjunct faculty member or a participant in a
129 phased retirement program for no more than 780 hours during the
130 first 12 months of his or her retirement. A retiree reemployed
131 for more than 780 hours during the first 12 months of retirement
132 must give timely notice in writing to the employer and to the
133 Division of Retirement or the state board of the date he or she
134 will exceed the limitation. The division shall suspend his or
135 her retirement benefits for the remainder of the 12 months. Any
136 retiree employed in violation of this sub-subparagraph and any
137 employer who employs or appoints such person without notifying
138 the division to suspend retirement benefits are jointly and
139 severally liable for any benefits paid during the reemployment
140 limitation period. The employer must have a written statement
141 from the retiree that he or she is not retired from a state-
142 administered retirement system. Any retirement benefits received
143 by the retiree while reemployed in excess of 780 hours during
144 the first 12 months of retirement must be repaid to the Florida
145 Retirement System Trust Fund, and retirement benefits shall
146 remain suspended until repayment is made. Benefits suspended
147 beyond the end of the retiree's first 12 months of retirement
148 shall apply toward repayment of benefits received in violation
149 of the 780-hour reemployment limitation.

150 d. The Board of Trustees of the Florida School for the

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151 Deaf and the Blind may reemploy a retiree as a substitute
152 teacher, substitute residential instructor, or substitute nurse
153 on a noncontractual basis after he or she has been retired for 1
154 calendar month. Any member who is reemployed within 1 calendar
155 month after retirement shall void his or her application for
156 retirement benefits. The Board of Trustees of the Florida School
157 for the Deaf and the Blind reemploying such teachers,
158 residential instructors, or nurses is subject to the retirement
159 contribution required by subparagraph 2.

160 e. A developmental research school may reemploy a retiree
161 as a substitute or hourly teacher or an education
162 paraprofessional as defined in s. 1012.01(2) on a noncontractual
163 basis after he or she has been retired for 1 calendar month. A
164 developmental research school may reemploy a retiree as
165 instructional personnel, as defined in s. 1012.01(2)(a), on an
166 annual contractual basis after he or she has been retired for 1
167 calendar month after retirement. Any member who is reemployed
168 within 1 calendar month voids his or her application for
169 retirement benefits. A developmental research school that
170 reemploys retired teachers and education paraprofessionals is
171 subject to the retirement contribution required by subparagraph
172 2.

173 f. A charter school may reemploy a retiree as a substitute
174 or hourly teacher on a noncontractual basis after he or she has
175 been retired for 1 calendar month. A charter school may reemploy

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176 a retired member as instructional personnel, as defined in s.
177 1012.01(2)(a), on an annual contractual basis after he or she
178 has been retired for 1 calendar month after retirement. Any
179 member who is reemployed within 1 calendar month voids his or
180 her application for retirement benefits. A charter school that
181 reemploys such teachers is subject to the retirement
182 contribution required by subparagraph 2.

183 2. The employment of a retiree or DROP participant of a
184 state-administered retirement system does not affect the average
185 final compensation or years of creditable service of the retiree
186 or DROP participant. Before July 1, 1991, upon employment of any
187 person, other than an elected officer as provided in s. 121.053,
188 who is retired under a state-administered retirement program,
189 the employer shall pay retirement contributions in an amount
190 equal to the unfunded actuarial liability portion of the
191 employer contribution which would be required for regular
192 members of the Florida Retirement System. Effective July 1,
193 1991, contributions shall be made as provided in s. 121.122 for
194 retirees who have renewed membership or, as provided in
195 subsection (13), for DROP participants.

196 3. Any person who is holding an elective public office
197 which is covered by the Florida Retirement System and who is
198 concurrently employed in nonelected covered employment may elect
199 to retire while continuing employment in the elective public
200 office if he or she terminates his or her nonelected covered

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201 employment. Such person shall receive his or her retirement
 202 benefits in addition to the compensation of the elective office
 203 without regard to the time limitations otherwise provided in
 204 this subsection. A person who seeks to exercise the provisions
 205 of this subparagraph as they existed before May 3, 1984, may not
 206 be deemed to be retired under those provisions, unless such
 207 person is eligible to retire under this subparagraph, as amended
 208 by chapter 84-11, Laws of Florida.

209 (c) Any person whose retirement is effective on or after
 210 July 1, 2010, or whose participation in the Deferred Retirement
 211 Option Program terminates on or after July 1, 2010, who is
 212 retired under this chapter, except under the disability
 213 retirement provisions of subsection (4) or as provided in s.
 214 121.053, may be reemployed by an employer that participates in a
 215 state-administered retirement system and receive retirement
 216 benefits and compensation from that employer. However, a person
 217 may not be reemployed by an employer participating in the
 218 Florida Retirement System before meeting the definition of
 219 termination in s. 121.021 and may not receive both a salary from
 220 the employer and retirement benefits for 6 calendar months after
 221 meeting the definition of termination, except as provided in
 222 paragraph (d) ~~(f)~~. However, a DROP participant shall continue
 223 employment and receive a salary during the period of
 224 participation in the Deferred Retirement Option Program, as
 225 provided in subsection (13).

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

228 2. The employer shall pay retirement contributions in an
229 amount equal to the unfunded actuarial liability portion of the
230 employer contribution that would be required for active members
231 of the Florida Retirement System in addition to the
232 contributions required by s. 121.76.

233 3. A retiree initially reemployed in violation of this
234 paragraph and an employer that employs or appoints such person
235 are jointly and severally liable for reimbursement of any
236 retirement benefits paid to the retirement trust fund from which
237 the benefits were paid, including the Florida Retirement System
238 Trust Fund and the Florida Retirement System Investment Plan
239 Trust Fund, as appropriate. The employer must have a written
240 statement from the employee that he or she is not retired from a
241 state-administered retirement system. Retirement benefits shall
242 remain suspended until repayment is made. Benefits suspended
243 beyond the end of the retiree's 6-month reemployment limitation
244 period shall apply toward the repayment of benefits received in
245 violation of this paragraph.

246 (d) Beginning July 1, 2024, a retiree who has met the
247 definition of termination in s. 121.021 may be reemployed by an
248 employer that participates in a state-administered retirement
249 system and receive retirement benefits and compensation from
250 that employer but may not receive both a salary from the

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251 employer and retirement benefits for 6 calendar months
 252 immediately subsequent to the date of retirement.

253 (e)-(d) This subsection applies to retirees, as defined in
 254 s. 121.4501(2), of the Florida Retirement System Investment
 255 Plan, subject to the following conditions:

256 1. A retiree may not be reemployed with an employer
 257 participating in the Florida Retirement System until such person
 258 has been retired for 6 calendar months.

259 2. A retiree employed in violation of this subsection and
 260 an employer that employs or appoints such person are jointly and
 261 severally liable for reimbursement of any benefits paid to the
 262 retirement trust fund from which the benefits were paid. The
 263 employer must have a written statement from the retiree that he
 264 or she is not retired from a state-administered retirement
 265 system.

266 (f)-(e) The limitations of this subsection apply to
 267 reemployment in any capacity irrespective of the category of
 268 funds from which the person is compensated.

269 ~~(f) A retired law enforcement officer may be reemployed as~~
 270 ~~a school resource officer by an employer that participates in~~
 271 ~~the Florida Retirement System and receive compensation from that~~
 272 ~~employer and retirement benefits after meeting the definition of~~
 273 ~~termination in s. 121.021, but may not receive both a salary~~
 274 ~~from the employer and retirement benefits for 6 calendar months~~
 275 ~~immediately subsequent to the date of retirement. The reemployed~~

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276 ~~retired law enforcement officer may not renew membership in the~~
 277 ~~Florida Retirement System, except as provided in s. 121.122.~~

278 Section 2. Subsection (5) is added to section 121.1001,
 279 Florida Statutes, to read:

280 121.1001 Florida Retirement System Preservation of
 281 Benefits Plan.—Effective July 1, 1999, the Florida Retirement
 282 System Preservation of Benefits Plan is established as a
 283 qualified governmental excess benefit arrangement pursuant to s.
 284 415(m) of the Internal Revenue Code. The Preservation of
 285 Benefits Plan is created as a separate portion of the Florida
 286 Retirement System, for the purpose of providing benefits to a
 287 payee (retiree or beneficiary) of the Florida Retirement System
 288 whose benefits would otherwise be limited by s. 415(b) of the
 289 Internal Revenue Code.

290 (5) CLOSURE TO NEW MEMBERS.—Effective July 1, 2026, the
 291 Florida Retirement System Preservation of Benefits Plan is
 292 closed to new members.

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

295 121.71 Uniform rates; process; calculations; levy.—

296 (4) Required employer retirement contribution rates for
 297 each membership class and subclass of the Florida Retirement
 298 System for both retirement plans are as follows:

299

Membership Class

Percentage of

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	Gross Compensation, Effective July 1, <u>2024</u> 2023
300	
301	
302	
303	
304	
305	
306	

Regular Class	6.73%
Special Risk Class	18.66%
Special Risk Administrative Support Class	11.54%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>10.70%</u> 10.45%
Elected Officers' Class— Justices, Judges	14.90%

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307	Elected Officers' Class— County Elected Officers	12.39%
308	Senior Management Service Class	8.56%
309	DROP	8.49%
310	(5) In order to address unfunded actuarial liabilities of	
311	the system, the required employer retirement contribution rates	
312	for each membership class and subclass of the Florida Retirement	
313	System for both retirement plans are as follows:	
314		
		Percentage of Gross Compensation, Effective July 1, <u>2024</u> 2023
315	Membership Class	
316	Regular Class	<u>4.84%</u> 4.78%
317	Special Risk Class	<u>12.07%</u> 11.95%
318	Special Risk	26.22%

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319	Administrative Support Class	
320	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	50.21%
321	Elected Officers' Class— Justices, Judges	<u>28.49%</u> 27.93%
322	Elected Officers' Class— County Elected Officers	44.23%
323	Senior Management Service Class	23.90%
324	DROP	10.64%

326 Section 4. Paragraph (a) of subsection (1) of section
 327 121.591, Florida Statutes, is amended to read:
 328 121.591 Payment of benefits.—Benefits may not be paid
 329 under the Florida Retirement System Investment Plan unless the

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330 member has terminated employment as provided in s.
331 121.021(39)(a) or is deceased and a proper application has been
332 filed as prescribed by the state board or the department.
333 Benefits, including employee contributions, are not payable
334 under the investment plan for employee hardships, unforeseeable
335 emergencies, loans, medical expenses, educational expenses,
336 purchase of a principal residence, payments necessary to prevent
337 eviction or foreclosure on an employee's principal residence, or
338 any other reason except a requested distribution for retirement,
339 a mandatory de minimis distribution authorized by the
340 administrator, or a required minimum distribution provided
341 pursuant to the Internal Revenue Code. The state board or
342 department, as appropriate, may cancel an application for
343 retirement benefits if the member or beneficiary fails to timely
344 provide the information and documents required by this chapter
345 and the rules of the state board and department. In accordance
346 with their respective responsibilities, the state board and the
347 department shall adopt rules establishing procedures for
348 application for retirement benefits and for the cancellation of
349 such application if the required information or documents are
350 not received. The state board and the department, as
351 appropriate, are authorized to cash out a de minimis account of
352 a member who has been terminated from Florida Retirement System
353 covered employment for a minimum of 6 calendar months. A de
354 minimis account is an account containing employer and employee

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355 contributions and accumulated earnings of not more than \$5,000
 356 made under the provisions of this chapter. Such cash-out must be
 357 a complete lump-sum liquidation of the account balance, subject
 358 to the provisions of the Internal Revenue Code, or a lump-sum
 359 direct rollover distribution paid directly to the custodian of
 360 an eligible retirement plan, as defined by the Internal Revenue
 361 Code, on behalf of the member. Any nonvested accumulations and
 362 associated service credit, including amounts transferred to the
 363 suspense account of the Florida Retirement System Investment
 364 Plan Trust Fund authorized under s. 121.4501(6), shall be
 365 forfeited upon payment of any vested benefit to a member or
 366 beneficiary, except for de minimis distributions or minimum
 367 required distributions as provided under this section. If any
 368 financial instrument issued for the payment of retirement
 369 benefits under this section is not presented for payment within
 370 180 days after the last day of the month in which it was
 371 originally issued, the third-party administrator or other duly
 372 authorized agent of the state board shall cancel the instrument
 373 and credit the amount of the instrument to the suspense account
 374 of the Florida Retirement System Investment Plan Trust Fund
 375 authorized under s. 121.4501(6). Any amounts transferred to the
 376 suspense account are payable upon a proper application, not to
 377 include earnings thereon, as provided in this section, within 10
 378 years after the last day of the month in which the instrument
 379 was originally issued, after which time such amounts and any

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380 earnings attributable to employer contributions shall be
 381 forfeited. Any forfeited amounts are assets of the trust fund
 382 and are not subject to chapter 717.

383 (1) NORMAL BENEFITS.—Under the investment plan:

384 (a) Benefits in the form of vested accumulations as
 385 described in s. 121.4501(6) are payable under this subsection in
 386 accordance with the following terms and conditions:

387 1. Benefits are payable only to a member, an alternate
 388 payee of a qualified domestic relations order, or a beneficiary.

389 2. Benefits shall be paid by the third-party administrator
 390 or designated approved providers in accordance with the law, the
 391 contracts, and any applicable board rule or policy.

392 3. The member must be terminated from all employment with
 393 all Florida Retirement System employers, as provided in s.
 394 121.021(39).

395 4. Benefit payments may not be made until the member has
 396 been terminated for 3 calendar months, except that the state
 397 board may authorize by rule for the distribution of up to 10
 398 percent of the member's account after being terminated for 1
 399 calendar month if the member has reached the normal retirement
 400 date as defined in s. 121.021.

401 5. If a member or former member of the Florida Retirement
 402 System receives an invalid distribution, such person must either
 403 repay the full amount within 90 days after receipt of final
 404 notification by the state board or the third-party administrator

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405 that the distribution was invalid, or, in lieu of repayment, the
 406 member must terminate employment from all participating
 407 employers. If such person fails to repay the full invalid
 408 distribution within 90 days after receipt of final notification,
 409 the person may be deemed retired from the investment plan by the
 410 state board and is subject to s. 121.122. If such person is
 411 deemed retired, any joint and several liability set out in s.
 412 121.091(9)(e)2. ~~s. 121.091(9)(d)2.~~ is void, and the state board,
 413 the department, or the employing agency is not liable for gains
 414 on payroll contributions that have not been deposited to the
 415 person's account in the investment plan, pending resolution of
 416 the invalid distribution. The member or former member who has
 417 been deemed retired or who has been determined by the state
 418 board to have taken an invalid distribution may appeal the
 419 agency decision through the complaint process as provided under
 420 s. 121.4501(9)(g)3. As used in this subparagraph, the term
 421 "invalid distribution" means any distribution from an account in
 422 the investment plan which is taken in violation of this section,
 423 s. 121.091(9), or s. 121.4501.

424 Section 5. The Legislature finds that a proper and
 425 legitimate state purpose is served when employees and retirees
 426 of the state and its political subdivisions, and the dependents,
 427 survivors, and beneficiaries of such employees and retirees, are
 428 extended the basic protections afforded by governmental
 429 retirement systems that provide fair and adequate benefits and

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430 that are managed, administered, and funded in an actuarially
431 sound manner as required by s. 14, Art. X of the State
432 Constitution and part VII of chapter 112, Florida Statutes.
433 Therefore, the Legislature determines and declares that this act
434 fulfills an important state interest.

435 Section 6. This act shall take effect July 1, 2024.