



Bill Snapshot

HB 5007: Florida Retirement System

The Florida Retirement System (FRS) offers government employees two options to save for retirement: the pension plan, a traditional defined benefit plan; and the investment plan, a defined contribution plan. The FRS has served Florida well, but reforms are needed to fit a 21st century workforce.

HB 5007 provides reforms needed to modernize the FRS, ensure government employees can select a retirement plan that best fits their particular needs, and provides survivor benefits to the spouses and children of employees killed in the line of duty no matter which class the employees are a member of in the investment plan.

Highlights of the bill are below.

Changes the Default

- Changes the default from the pension plan to the investment plan for new participants who do not select either plan during the six-month election period after they are hired.
 - The bill does not change the ability for new participants to choose between the pension plan and investment plan during the six-month election period.
 - The bill does not change the ability for any employee, except those hired on or after July 1, 2018, in the Elected Officers' Class, to switch retirement plans one time, even if they default into the investment plan.

Expands Survivor Benefits

- Expands survivor benefits for spouses and children of employees who were killed in the line of duty to all membership classes of the investment plan.
 - The benefits for police officers, firefighters, and all other employees would be retroactive to 2002.

Allows Reentry into the Investment Plan

- Allows renewed membership in the investment plan or other optional retirement program for a retiree of the investment plan or other retirement program if they return to employment with an FRS employer.

Closes the Pension Plan to Newly Elected Officials

- Prevents newly elected officials from participating in the pension plan if they are initially enrolled in the FRS on or after July 1, 2018.
 - They can only participate in the investment plan.

LAST SEEN:

The bill was reported favorably on the floor.

Sponsor: Chairman Caldwell

CURRENT STATUS:

The bill is in messages.

HEADED TO:

The Senate.



HOUSE MAJORITY OFFICE

FLORIDA HOUSE OF REPRESENTATIVES



REPRESENTATIVE RAY RODRIGUES, MAJORITY LEADER

Closes the Senior Management Service Optional Annuity Program

- Closes the Senior Management Service Optional Annuity Program to new participants.
 - Currently, fewer than 30 members participate in this optional program.

Reduces the Accrual Rate for Justices and Judges to Match Other Elected Officers' Rates

- Reduces the service accrual rate for justices and judges participating in the pension plan.
 - The service accrual rate would be reduced from 3.3 percent to 3 percent, which is the same accrual rate for all other members of the Elected Officers' Class.