

1989

Session Law 89-260

Florida Senate & House of Representatives

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H 485 GENERAL BILL by Campbell (Identical S 849, Similar S 401) ~~Deaf & Blind School/Retired Employee~~; allows Bd. of Trustees of Fla. School for Deaf & Blind to reemploy retired member in certain positions & specifies conditions for retirement benefits; corrects cross reference. Amends 121.091, .061. Effective Date: 07/03/89.

03/02/89 HOUSE Prefiled
03/09/89 HOUSE Referred to Employee & Management Relations; Appropriations
04/04/89 HOUSE Introduced, referred to Employee & Management Relations; Appropriations -HJ 52; On Committee agenda—Employee & Management Relations, 04/06/89, 1:15 pm, 314-HOB—For subreferral
04/06/89 HOUSE On subcommittee agenda—Employee & Management Relations, 04/10/89, 1:15 pm, 317-HOB
04/10/89 HOUSE Subcommittee Recommendation: Favorable; On Committee agenda, pending subcommittee action—Employee & Management Relations, 04/12/89, 3:30 pm, 314-HOB
04/12/89 HOUSE Preliminary Committee Action by Employee & Management Relations: Favorable
04/13/89 HOUSE Comm. Report: Favorable by Employee & Management Relations -HJ 225; Now in Appropriations -HJ 225
04/24/89 HOUSE Subreferred to Subcommittee on Government Administration and Personnel
04/27/89 HOUSE Withdrawn from Appropriations -HJ 285; Placed on Calendar
05/02/89 HOUSE Placed on Special Order Calendar; Read second time -HJ 328
05/03/89 HOUSE Read third time; Passed; YEAS 111 NAYS 0 -HJ 344
05/05/89 SENATE In Messages
05/16/89 SENATE Received, referred to Education; Personnel, Retirement and Collective Bargaining; Appropriations -SJ 361
05/26/89 SENATE Extension of time granted Committee Education
06/02/89 SENATE Withdrawn from Education; Personnel, Retirement and Collective Bargaining; Appropriations; Substituted for SB 849; Passed; YEAS 36 NAYS 0 -SJ 893
06/02/89 Ordered enrolled
06/20/89 Signed by Officers and presented to Governor
07/03/89 Approved by Governor; Chapter No. 89-260

NOTES: Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

STORAGE NAME: h0485-f.emr
 DATE: June 8, 1989

HOUSE OF REPRESENTATIVES
 COMMITTEE ON EMPLOYEE & MANAGEMENT RELATIONS
 FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: HB 485

RELATING TO: FRS/Reemployment after Retirement by the Florida School for
 the Deaf and the Blind

SPONSOR(S): Representative Campbell

EFFECTIVE DATE: July 1, 1989, or Upon Becoming a Law

DATE BECAME LAW: July 3, 1989

CHAPTER #: 89-260, Laws of Florida

COMPANION BILL(S): SB 401 (Similar)

OTHER COMMITTEES OF REFERENCE: (1) Appropriations
 (2)

I. SUMMARY:

HB 485 will allow the Florida School for the Deaf and the Blind to reemploy, on a noncontractual basis, any retiree under the Florida Retirement System (FRS) as a substitute teacher, substitute residential instructor, or substitute nurse after the retiree has been retired for 1 calendar month, subject to specified conditions.

A. PRESENT SITUATION:

Current law prohibits any retiree from concurrently receiving retirement benefits and a salary from reemployment with an FRS employer during the first 12 months after retirement. A retiree who is reemployed during the first 12 months must suspend his retirement benefits during this 12-month restricted period, after which he may receive retirement benefits and salary with no limitation.

Exceptions now exist for noncontractual substitute teachers with district school boards and adjunct instructors for community colleges, who, after 1 month of retirement, may be reemployed in certain jobs for the first 780 hours of the 12-month limitation period without suspending their benefits. Under present law, no such exception is available to the Florida School for the Deaf and the Blind.

The Florida School for the Deaf and the Blind is a live-in educational facility serving approximately 500 students in grades

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K-12 who are deaf, blind, or both. About 80 percent of the students are deaf and 20 percent are blind. About 20 percent of the total group have multiple handicaps. (Singer Ray Charles was a graduate of the school.)

The administrators of the school say that they have special problems finding substitutes to fill in for instructors, residential instructors ("house parents"), and nurses when absences occur. Because it takes about 3 years to become proficient enough in "signing" to communicate with the students, the pool of potential available substitutes is severely limited. When sign-language-fluent substitutes cannot be found, the school must find an extra person to work with the substitute teacher, house parent, or nurse to serve as interpreter for the children.

FRS Background

Prior to 1984, any person retiring under the Florida Retirement System, the State and County Officers and Employees' Retirement System, and the Teachers' Retirement System could be reemployed by an employer participating in a state-administered retirement system, but the employment could not exceed 780 hours each calendar year, or the compensation could not exceed \$4,000 each calendar year, whichever limitation permitted the longer employment. This limitation did not apply to anyone age 65 or older. In addition, any retiree who was employed by an employer under the system within the first calendar month following retirement will forfeit his right to benefits during that month.

This provision was amended in 1984 to prohibit retirees (effective July 1, 1985) from receiving benefits and being employed with any FRS agency for 12 months following retirement. If a retiree was employed during this 12-month period, his retirement benefits were suspended. After 12 months, there were no limitations on employment.

In 1985 and 1986, the statute was further amended to permit district school boards and community colleges, respectively, to reemploy retired members as substitute teachers or adjunct instructors on a noncontractual basis after they had been retired for 1 calendar month. Just as it was before 1984, any retired member who was reemployed within the first month after retirement forfeited his right to retirement benefits for that month. Reemployment under the statute is limited to 780 hours of employment during the first 12 months of retirement, or retirement benefits must be suspended for the remainder of the year once this limitation is reached. If any excess benefits are received, the excess amount must be repaid to the FRS Trust Fund. There is no such limitation after the first year following retirement.

Reemployed retirees do not earn any additional retirement credit, so the normal retirement contributions are not required; however, any employer who employs a retiree in a regularly established

position must pay retirement contributions actuarially equivalent to the unfunded accrued-liability portion of the employer contribution for regular members (3.85%).

B. EFFECT OF PROPOSED CHANGES:

This bill amends s. 121.091(9)(b), F.S., to permit the Florida School for the Deaf and the Blind to reemploy retired FRS members as substitute teachers, substitute residential instructors, or substitute nurses on a noncontractual basis after they have been retired for at least 1 calendar month.

Just as with retirees reemployed by school districts or community colleges, any retiree reemployed by the Florida School for the Deaf and the Blind must forfeit his right to retirement benefits during that month and is limited to 780 work hours during the first year of reemployment, or must notify the Division of Retirement of the Department of Administration that he will exceed this limitation, whereupon his retirement benefits will be suspended for the remainder of the year. Any excess benefits received by the reemployed retiree must be repaid to the FRS trust fund, and all retirement benefits will be suspended until repayment is made. Benefits suspended beyond the end of the 12-month period apply toward repayment.

C. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 121.091(9)(b), F.S., to allow FRS retirees to be reemployed for up to 780 hours as substitute teachers, substitute residential instructors, or substitute nurses by the Florida School for the Deaf and the Blind 1 month following retirement, under specified conditions.

Section 2. Amends s. 121.051(1)(a), F.S., to conform a cross reference.

Section 3. Provides that the act shall take effect on July 1, 1989, or upon becoming a law, whichever is later.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None.

2. Recurring or Annualized Continuation Effects:

The Florida School for the Deaf and the Blind must pay employees' salaries from available funds and must pay retirement contributions for reemployed retirees in the

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amount of the unfunded actuarial accrued liability of the Florida Retirement System, currently 3.85 percent. There is no impact on the FRS Trust Fund.

3. Long Run Effects Other Than Normal Growth:

None.

4. Appropriations Consequences:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None.

2. Recurring or Annualized Continuation Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise, and Employment Markets:

FRS retirees could have a slight advantage over nonretirees competing for the same jobs (as they could be hired at a lower cost to the employer since only the unfunded liability portion of the retirement contribution must be paid). However, this situation exists now for all but the first year following retirement, and because the new provisions will only affect persons hired part-time in noncontractual, substitute positions, the effect upon job competition should be minimal.

D. FISCAL COMMENTS:

None.

III. LONG RANGE CONSEQUENCES:

According to Workforce 2000, in the 1990's there will be a severe shortage of workers in the State of Florida. Instructional and nursing positions are expected to be especially hard hit. With regard to the Florida School for the Deaf and the Blind, the situation is complicated by the fact that their employees must have extensive training in signing for the deaf merely to communicate with the deaf students who make up 80 percent of their student body. This bill should help the Florida School for the Deaf and the Blind, in a small way, to deal with that labor shortage and cope with its own unique problems.

IV. COMMENTS:

In 1985 and 1986, school districts and community colleges were given the ability to hire retirees soon after retirement to fill substitute positions under the same conditions established in this bill.

HB 998, by Representatives Lawson & Sindler, has been introduced this session to permit the State University System to reemploy retired members in contractual or noncontractual part-time positions within the State University System. Under that bill, universities will be otherwise subject to the same restrictions as provided for retirees who are employed by school districts and community colleges (and as provided in this bill).

V. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:

Sharon K Lowe
Sharon K. Lowe

Staff Director:
Ron Poppell
Ron Poppell

SECOND COMMITTEE OF REFERENCE:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Staff Director:

REVISED: May 10, 1989BILL NO. SB 849DATE: May 2, 1989Page 1

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>O'Farrell</u>	<u>O'Farrell</u>	1. <u>ED</u>	<u>Favorable</u>
2. <u>Jones</u>	<u>Jones</u>	2. <u>PRCB</u>	<u>Favorable</u>
3. _____	_____	3. <u>AP</u>	_____
4. _____	_____	4. _____	_____

SUBJECT:

Deaf and Blind School/
Retired Employees

BILL NO. AND SPONSOR:

SB 849 by
Senator BankheadI. SUMMARY:

A. Present Situation:

In 1984 the Legislature revised the laws affecting the employment of persons who have retired under the Florida Retirement System (FRS). The revision did away with all the exceptions that had been developed under the old law, and authorized persons who have retired under FRS, except those with a disability retirement, to be reemployed by any public or private employer and receive full retirement benefits as well as full compensation from the employer. The only condition the employee has to meet is that he not accept employment with an agency participating in FRS for a period of 12 months subsequent to his date of retirement. Should the person accept employment with an FRS participating agency before the 12-month waiting period is completed, he forfeits his retirement benefits for the remainder of the 12 months and must repay any benefits he may have received subsequent to reemployment.

The year after the law was revised it was amended to allow retired FRS members to receive benefits and be reemployed by public school districts as substitute or hourly teachers on a noncontract basis as soon as one month after the member's date of retirement. A member so employed is limited to 780 hours of work during the first 12 months of his retirement. Any member exceeding the 780-hour limit forfeits his benefits for the remainder of his first 12 months of retirement, and is required to repay any benefits received after he exceeded the work limit.

Soon after the law was changed to accommodate retired FRS members working as substitute teachers in public schools, the same provision was enacted to allow retired members to work as adjunct instructors and part-time, noncontract instructors in the state's community colleges.

The employment of any retired member of any state administered retirement system has no effect on the member's average final compensation or years of creditable service. Agencies that participate in FRS and employ retired members, are responsible for paying the unfunded liability portion of the employer contribution that would be required if the member were a non-retired employee.

B. Effect of Proposed Changes:

The legislation under consideration would authorize a retired FRS member to accept employment with the Florida School for the Deaf and the Blind as a substitute teacher, substitute residential instructor, or substitute nurse on a noncontractual basis within one month of his date of retirement, and still continue to receive full retirement benefits. The limitations on such employment would be the same as those in current law

for retired members employed by school districts and community colleges under similar circumstances. Specifically, employment would be limited to 780 hours for the first 12 months of retirement. If the member exceeded the hour limit, retirement benefits would stop for the remainder of the 12 month period, and benefits received after the 780 hours had been exceeded would have to be repaid.

The school would be required to pay the unfunded liability portion of the employer's contribution to the retirement system for each retired member employed.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

Retired FRS members would have the opportunity for employment with the Florida School for the Deaf and the Blind within one month of their date of retirement. This could help such persons augment retirement income through employment with a public agency much sooner than the normal 12-month waiting period.

B. Government:

The legislation would possibly allow the Florida School for the Deaf and the Blind to meet personnel needs through the employment of retired FRS members. The school would save some money by doing so since they would only have to pay the unfunded liability portion of the employer's contribution to FRS for such employees, not the full contribution.

III. COMMENTS:

Under the FRS, there is no limit on the amount of salary which a reemployed retiree may receive; however, such reemployed retirees may not earn additional retirement credit.

IV. AMENDMENTS:

None.