

Committee on Governmental Oversight and Accountability

CS/CS/CS/SB 534 — Publicly-funded Defined Benefit Retirement Plans

by Appropriations Committee; Community Affairs Committee; Governmental Oversight and Accountability Committee; and Senators Brandes and Bradley

This bill provides that the state is not liable for any obligation relating to any financial shortfalls in any local government retirement plan.

The bill requires each public pension plan, except the Florida Retirement System, to submit the following information to the Department of Management Services (DMS):

- Annual financial statements in compliance with Government Accounting and Standard Board's "Statement No. 67, Financial Reporting for Pension Plans" and "Statement No. 68, Accounting and Financial Reporting for Pensions";
- Annual financial statements which use an assumed rate of return on investments and an assumed discount rate that are equal to 200 basis points less than the plan's assumed rate of return;
- Information indicating the number of months or years for which the current market value of assets are adequate to sustain the payment of expected retirement benefits as determined in the plan's latest valuation; and
- Information indicating the recommended contributions to the plan based on the plan's latest actuarial valuation and the contributions necessary to fund the plan based on the financial statements using alternative actuarial assumptions, stated as an annual dollar value and a percentage of valuation payroll.

The new information must be included in the DMS-produced fact sheet for the respective local government defined benefit pension plan.

The bill provides that any plan that fails to submit the required information to the DMS may be deemed to be in noncompliance with the law and may jeopardize its revenue-sharing funds.

The bill also specifies the types of financial information that must be included on plan websites.

If approved by the Governor, these provisions take effect July 1, 2013.

Vote: Senate 22-18; House 71-45