

Bill No. CS for SB 380

Amendment No.     

Senate CHAMBER ACTION House

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11 Senator Williams moved the following amendment to amendment  
12 (790948):

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14 **Senate Amendment (with title amendment)**

15 On page 40, between lines 22 and 23,

16  
17 insert:

18 Section 1. (1) There is created the Florida Defined  
19 Contribution Retirement Study Commission for the purpose of  
20 advising the Legislature and the Governor on measures in the  
21 formulation and implementation of an optional portable  
22 retirement program.

23 (a) The commission shall consist of 20 members, as  
24 follows:

25 1. Two legislators appointed by the President of the  
26 Senate;

27 2. Two legislators appointed by the Speaker of the  
28 House of Representatives;

29 3. One employee of the Governors Office of Planning  
30 and Budgeting, appointed by the Governor;

31 4. The President of the Senate and the Speaker of the

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- 1 House of Representatives shall appoint the following  
2 commission members based upon the recommendations of each of  
3 the respective employer or employee member organizations:
- 4 a. Three members representing the financial services  
5 industry, to include a provider of mutual funds, a provider of  
6 insurance/annuity products, and a provider from a financial  
7 services company;
  - 8 b. One member representing the Division of Retirement;
  - 9 c. One member representing the State Board of  
10 Administration;
  - 11 d. One member representing municipality members of the  
12 Florida Retirement System;
  - 13 e. Two members representing counties, one representing  
14 the employer, and one representing the non-managerial,  
15 nonsupervisory employees;
  - 16 f. Four members representing education, one school  
17 board member, one superintendent or administrator, and two  
18 teachers;
  - 19 g. One member representing state employees;
  - 20 h. One representing the special risk class of the  
21 Florida Retirement System;
  - 22 i. One member representing Special District members of  
23 the Florida Retirement System.
- 24 (2) The Commission shall be co-chaired by one  
25 Representative and one Senator.
- 26 (3) It is the duty of the commission to:
- 27 (a) Review existing defined benefit and defined  
28 contribution pension plans, taking into consideration:
- 29 1. The proper relationship of employer and employee  
30 contributions to any alternate plan;
  - 31 2. Any effects on the existing retirement plan

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- 1 resulting from implementation of a new retirement plan,  
2 including, but not limited to:
- 3       a. Vesting rights and portability options;  
4       b. Other factors influencing the demand for either  
5 program; and
- 6       c. Considering the effect of implementing the optional  
7 defined contribution plan, including affect on unfunded  
8 accrued liabilities of existing defined benefit plans.
- 9       3. Review of a study performed by the Florida  
10 Retirement System on credit for transferring funds from the  
11 existing retirement plan to an optional retirement plan.
- 12       (b) Recommend and address:
- 13           1. The role and obligations for educating employees  
14 regarding the differences and advantages of the two plans, and  
15 regarding their investment choices;
- 16           2. Program administration and its cost, and who shall  
17 bear the cost; and
- 18           3. The offering of plans independently, or as a group.
- 19       (4) The commission shall make its recommendation in an  
20 official report, adopted by the commission and transmitted to  
21 the Governor, the President of the Senate, and the Speaker of  
22 the House of Representatives by January 1, 1999.
- 23       (5) Commission members shall be appointed by June 1,  
24 1998 and shall convene to organize immediately after the  
25 appointments have been completed.
- 26       (6) Members of the commission shall service without  
27 compensation. Members of the commission shall be entitled to  
28 receive reimbursement for travel and per diem as provided in  
29 section 112.061, Florida Statutes, while carrying out official  
30 business of the commission.
- 31       (7) The commission shall hold meetings when deemed

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1 necessary.

2 Section 2. The Division of Retirement shall furnish  
3 funds necessary for the completion of the study.

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6 ===== T I T L E A M E N D M E N T =====

7 And the title is amended as follows:

8 On page 43, lines 6 and 7, delete those lines

9

10 and insert:

11 important state interest; creating the Florida  
12 Defined Contribution Retirement Study  
13 Commission; providing for membership; providing  
14 powers and duties of the commission; providing  
15 an effective date.

16

17 WHEREAS, pursuant to chapter 97-296, Laws of Florida,  
18 the Workforce 2000 Study Commission complete a comprehensive  
19 study comparing employee benefits in the public and private  
20 sectors, and

21 WHEREAS, the appropriate application of a defined  
22 contribution plan in the Florida Retirement System might  
23 enable a more efficient use of public tax dollars while  
24 providing additional choices for the workforce, and

25 WHEREAS, the initiative to create a defined benefit  
26 retirement plan for members of the Florida Retirement System  
27 can be accomplished through a review of all the components of  
28 public-employee compensation, and

29 WHEREAS, the proper relationship of salary and benefit  
30 compensation is acritical issue in personnel administration  
31 policies in the public sector, NOW, THEREFORE,