

By the Committee on Governmental Reform and Oversight and  
Senator Williams

302-2090A-98

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A bill to be entitled

An act relating to retirement; creating the  
Florida Retirement Benefit Study Commission;  
providing for membership; providing powers and  
duties of the commission; requiring reports;  
providing for staffing of the commission;  
providing an effective date.

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

WHEREAS, the appropriate application of a  
business-sector plan in the public sector might enable a more  
efficient use of public tax dollars while providing additional  
choices for the workforce, and

WHEREAS, the initiative to create an efficient,  
innovative workforce in the public sector can be accomplished  
through a review of all of the components of public-employee  
compensation, and

WHEREAS, the proper relationship of salary and benefit  
compensation is a critical issue in personnel administration  
policies in the public sector, NOW, THEREFORE,

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

Section 1. (1) There is created the Florida  
Retirement Benefit Study Commission for the purpose of  
advising the Legislature and the Governor on measures in the  
formulation and implementation of an innovative, efficient  
retirement program.

1           (a) The commission shall consist of 19 members, as  
2 follows:  
3           1. Two members appointed by the President of the  
4 Senate, one representing the majority party and one  
5 representing the minority party;  
6           2. Two members appointed by the Speaker of the House  
7 of Representatives, one representing the majority party and  
8 one representing the minority party;  
9           3. The Governor shall appoint the following commission  
10 members based upon the recommendations of each of the  
11 respective employer or employee member organizations:  
12           a. Two members representing the financial services  
13 industry;  
14           b. One member representing the Division of Retirement;  
15           c. One member representing the Department of  
16 Management Services;  
17           d. One member representing the State Board of  
18 Administration;  
19           e. Two members representing municipality members of  
20 the Florida Retirement System, one representing the employer,  
21 and one representing nonmanagerial, nonsupervisory employees;  
22           f. Two members representing counties, one representing  
23 the employer and one representing nonmanagerial,  
24 nonsupervisory employees;  
25           g. Two members representing special district members  
26 of the Florida Retirement System, one representing the  
27 employer, and one representing nonmanagerial, nonsupervisory  
28 employees;  
29           h. Two representatives of school boards, one  
30 representing the employer and one representing nonmanagerial,  
31 nonsupervisory employees; and

1           i. Two representatives of state employees, one  
2 representing managerial/supervisory employees, and one  
3 representing nonmanagerial/nonsupervisory employees.  
4           (2) It is the duty of the commission to:  
5           (a) Review existing defined benefit and defined  
6 contribution pension plans, taking into consideration:  
7           1. The proper relationship of employer and employee  
8 contributions to any alternate plan;  
9           2. Any effects on the existing retirement plan  
10 resulting from implementation of a new retirement plan,  
11 including, but not limited to:  
12           a. Demographic factors;  
13           b. Geographic factors;  
14           c. Vesting rights and portability options;  
15           d. Other factors influencing the demand for either  
16 program; and  
17           e. The allocation of unfunded actuarial liabilities.  
18           (b) Recommend and address:  
19           1. To what extent employers are responsible for  
20 educating employees regarding the differences in the two  
21 plans, and regarding their investment choices;  
22           2. Program administration and its cost; and  
23           3. The offering of plans independently, or as a group.  
24           (3) The commission shall make its recommendation in an  
25 official report, adopted by the commission and transmitted to  
26 the Governor, the President of the Senate, and the Speaker of  
27 the House of Representatives by January 1, 1999.  
28           (4) Commission members shall be appointed by August 1,  
29 1998, and shall convene to organize immediately after the  
30 appointments have been completed.  
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1           (5) Members of the commission shall serve without  
2 compensation. Members of the commission shall be entitled to  
3 receive reimbursement for travel and per diem as provided in  
4 section 112.061, Florida Statutes, while carrying out official  
5 business of the commission.

6           (6) The commission shall hold meetings within the  
7 state when deemed necessary.

8           Section 2. The Division of Retirement shall furnish  
9 staff services to the commission.

10           Section 3. This act shall take effect upon becoming a  
11 law.

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13                           STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
14   COMMITTEE SUBSTITUTE FOR  
15   Senate Bill 754

16 The committee substitute creates the Florida Retirement  
17 Benefit Study Commission consisting of 19 members.

18 The commission is responsible for reviewing defined benefit  
19 and defined contribution plans in order to establish the  
proper balance of employer and employee contribution in  
establishing a new retirement plan.

20 The commission is required to recommend and address an  
21 employer's obligation, if any, to educate employees regarding  
the differences in optional plans and their investment  
22 choices.