

By Representative Fiorentino

1 A bill to be entitled
2 An act relating to the Florida Retirement
3 System; amending s. 121.021, F.S.; revising the
4 definition of the term "average final
5 compensation" with respect to members of the
6 special risk class; amending s. 121.091, F.S.;
7 revising method of calculating average final
8 compensation; upgrading service credit for
9 certain years for special risk members;
10 providing for a declaration of important state
11 interest; providing an effective date.

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

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15 Section 1. Subsection (24) of section 121.021, Florida
16 Statutes, is amended to read:17 21.021 Definitions.--The following words and phrases
18 as used in this chapter have the respective meanings set forth
19 unless a different meaning is plainly required by the context:20 (24)(a) "Average final compensation" means the average
21 of the 5 highest fiscal years of compensation for creditable
22 service prior to retirement, termination, or death. For
23 in-line-of-duty disability benefits, if less than 5 years of
24 creditable service have been completed, the term "average
25 final compensation" means the average annual compensation of
26 the total number of years of creditable service. Each year
27 used in the calculation of average final compensation shall
28 commence on July 1.29 ~~(1)(a)~~ The average final compensation shall include:30 a.1. Accumulated annual leave payments, not to exceed
31 500 hours; and

1 ~~b.2.~~ All payments defined as compensation in
2 subsection (22).

3 ~~(2)(b)~~ The average final compensation shall not
4 include:

5 ~~a.1.~~ Compensation paid to professional persons for
6 special or particular services;

7 ~~b.2.~~ Payments for accumulated sick leave made due to
8 retirement or termination;

9 ~~c.3.~~ Payments for accumulated annual leave in excess
10 of 500 hours;

11 ~~d.4.~~ Bonuses as defined in subsection (47);

12 ~~e.5.~~ Third party payments made on and after July 1,
13 1990; or

14 ~~f.6.~~ Fringe benefits (for example, automobile
15 allowances or housing allowances).

16 ~~(b)~~ "Average final compensation" with respect to
17 members of the special risk class means the average of the 3
18 highest fiscal years of compensation for creditable service
19 prior to retirement, termination, or death. For
20 in-line-of-duty disability benefits, if less than 3 years of
21 creditable service have been completed, the term "average
22 final compensation" means the average annual compensation of
23 the total number of years of creditable service. Each year
24 used in the calculation of average final compensation shall
25 commence on July 1.

26 ~~(1)~~ The average final compensation shall include:

27 ~~a.~~ Accumulated annual leave payments, not to exceed
28 500 hours; and

29 ~~b.~~ All payments defined as compensation in subsection
30 (22).

31 ~~(2)~~ The average final compensation shall not include:

- 1 a. Compensation paid to professional persons for
2 special or particular services;
3 b. Payments for accumulated sick leave made due to
4 retirement or termination;
5 c. Payments for accumulated annual leave in excess of
6 500 hours;
7 d. Bonuses as defined in subsection (47);
8 e. Third party payments made on and after July 1,
9 1990; or
10 f. Fringe benefits (for example, automobile allowances
11 or housing allowances).

12 Section 2. Paragraphs (a) and (d) of subsection (1) of
13 section 121.091, Florida Statutes, are amended to read:

14 121.091 Benefits payable under the system.--Benefits
15 may not be paid under this section unless the member has
16 terminated employment as provided in s. 121.021(39)(a) or
17 begun participation in the Deferred Retirement Option Program
18 as provided in subsection (13), and a proper application has
19 been filed in the manner prescribed by the department. The
20 department may cancel an application for retirement benefits
21 when the member or beneficiary fails to timely provide the
22 information and documents required by this chapter and the
23 department's rules. The department shall adopt rules
24 establishing procedures for application for retirement
25 benefits and for the cancellation of such application when the
26 required information or documents are not received.

27 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or
28 her normal retirement date, the member, upon application to
29 the administrator, shall receive a monthly benefit which shall
30 begin to accrue on the first day of the month of retirement
31 and be payable on the last day of that month and each month

1 thereafter during his or her lifetime. The normal retirement
2 benefit, including any past or additional retirement credit,
3 may not exceed 100 percent of the average final compensation.
4 The amount of monthly benefit shall be calculated as the
5 product of A and B, subject to the adjustment of C, if
6 applicable, as set forth below:

7 (a)1. For creditable years of Regular Class service, A
8 is 1.60 percent of the member's average final compensation, up
9 to the member's normal retirement date. Upon completion of the
10 first year after the normal retirement date, A is 1.63 percent
11 of the member's average final compensation. Following the
12 second year after the normal retirement date, A is 1.65
13 percent of the member's average final compensation. Following
14 the third year after the normal retirement date, and for
15 subsequent years, A is 1.68 percent of the member's average
16 final compensation.

17 2. For creditable years of special risk service, A is:

18 a. Two percent of the member's average final
19 compensation for all creditable years prior to October 1,
20 1974;

21 b. Three percent of the member's average final
22 compensation for all creditable years after September 30,
23 1974, and before October 1, 1978;

24 c. Two percent of the member's average final
25 compensation for all creditable years after September 30,
26 1978, and before January 1, 1989;

27 d. Two and two-tenths percent of the member's final
28 monthly compensation for all creditable years after December
29 31, 1988, and before January 1, 1990;

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1 e. Two and four-tenths percent of the member's average
2 final compensation for all creditable years after December 31,
3 1989, and before January 1, 1991;

4 f. Two and six-tenths percent of the member's average
5 final compensation for all creditable years after December 31,
6 1990, and before January 1, 1992;

7 g. Two and eight-tenths percent of the member's
8 average final compensation for all creditable years after
9 December 31, 1991, and before January 1, 1993; ~~and~~

10 h. Three percent of the member's average final
11 compensation for all creditable years after December 31, 1992;
12 and

13 i. Three percent of the member's average final
14 compensation for all creditable years of service after
15 September 30, 1978, and before January 1, 1993, for any
16 special risk member who retires after July 1, 2000.

17 3. For creditable years of Senior Management Service
18 Class service after January 31, 1987, A is 2 percent;

19 4. For creditable years of Elected Officers' Class
20 service as a Supreme Court Justice, district court of appeal
21 judge, circuit judge, or county court judge, A is 3 1/3
22 percent of the member's average final compensation, and for
23 all other creditable service in such class, A is 3 percent of
24 average final compensation;

25 (d) A member's average final compensation shall be
26 determined by formula to obtain the coverage for the 3 5
27 highest fiscal years' salaries, calculated as provided by
28 rule.

29 Section 3. The Legislature finds that a proper and
30 legitimate state purpose is served when employees and retirees
31 of the state and of its political subdivisions, and the

1 dependents, survivors, and beneficiaries of such employees and
2 retirees, are extended the basic protections afforded by
3 governmental retirement systems that provide fair and adequate
4 benefits and that are managed, administered, and funded in an
5 actuarially sound manner, as required by s. 14 of Art. X of
6 the State Constitution and part VII of chapter 112 of the
7 Florida Statutes. Therefore, the Legislature hereby determines
8 and declares that the provisions of this act fulfill an
9 important state interest.

10 Section 4. This act shall take effect July 1, 2000,
11 provided that the provisions of this act which provide for
12 additional benefit improvements shall not take effect until
13 legislation is enacted to properly fund such benefit
14 improvement as required by section 14, Article X, of the State
15 Constitution.

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18 HOUSE SUMMARY

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20 Revises the definition of the term "average final
21 compensation" with respect to special risk members for
22 the purposes of the Florida Retirement System to provide
23 for calculation based upon the 3 highest fiscal years of
24 compensation. Provides for upgraded service credit for
25 certain years for special risk members. See bill for
26 details.
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