

By the Fiscal Responsibility Council and Representatives Murman, Byrd, Ball, Bense, Cantens, Alexander, Maygarden, Dockery, Greenstein, Kosmas, Crow, Kendrick, Gottlieb, Ryan, Lynn and Attkisson

1                                   A bill to be entitled  
 2           An act relating to state retirement  
 3           contributions; amending ss. 121.052, 121.055,  
 4           121.071, and 121.40, F.S.; changing  
 5           contribution rates for specified classes and  
 6           subclasses; amending s. 121.35, F.S.; changing  
 7           contribution rates for participants in the  
 8           optional retirement program of the State  
 9           University System; providing legislative  
 10          intent; recognizing excess actuarial assets to  
 11          fund costs and rate reductions; reducing  
 12          certain contribution rates; repealing  
 13          subsection (2) of s. 20 of ch. 2000-169, Laws  
 14          of Florida, relating to increasing  
 15          contributions rates; providing a finding of  
 16          important state interest; providing an  
 17          effective date.

18  
 19 Be It Enacted by the Legislature of the State of Florida:

20  
 21           Section 1. Paragraph (a) of subsection (7) of section  
 22   121.052, Florida Statutes, is amended to read:  
 23           121.052 Membership class of elected officers.--  
 24           (7) CONTRIBUTIONS.--  
 25           (a) The following table states the required retirement  
 26   contribution rates for members of the Elected Officers' Class  
 27   and their employers in terms of a percentage of the member's  
 28   gross compensation. A change in a contribution rate is  
 29   effective with the first salary paid on or after the beginning  
 30   date of the change. Contributions shall be made or deducted as  
 31   may be appropriate for each pay period and are in addition to

1	the contributions required for social security and the Retiree		
2	Health Insurance Subsidy Trust Fund.		
3			
4	Dates of Contribution		
5	Rate Changes	Members	Employers
6			
7	July 1, 1972, through September 30, 1977		
8	Legislators	8%	8%
9	All Other Members	8%	8%
10			
11	October 1, 1977, through September 30, 1978		
12	Legislators	8%	8%
13	All Other Members	4%	12%
14			
15	October 1, 1978, through September 30, 1979		
16	Legislators	8%	10.57%
17	All Other Members	4%	16.78%
18			
19	October 1, 1979, through September 30, 1981		
20	Legislators	8%	10.57%
21	Governor, Lt. Governor, Cabinet		
22	Officers	4%	16.78%
23	All Other Members	0%	20.78%
24			
25	July 1, 1981, through June 30, 1984		
26	County Elected Officers	0%	19.30%
27			
28	July 1, 1984, through September 30, 1984		
29	County Elected Officers	0%	20.25%
30			
31	October 1, 1981, through September 30, 1984		

1	Legislators	0%	19.30%
2	Governor, Lt. Governor, Cabinet		
3	Officers	0%	21.03%
4	State Attorneys, Public Defenders	0%	20.95%
5	Justices, Judges	0%	22.55%
6			
7	October 1, 1984, through September 30, 1986		
8	Legislators	0%	10.98%
9	Governor, Lt. Governor, Cabinet		
10	Officers	0%	10.98%
11	State Attorneys, Public Defenders	0%	10.98%
12	Justices, Judges	0%	21.79%
13	County Elected Officers	0%	16.97%
14			
15	October 1, 1986, through December 31, 1988		
16	Legislators	0%	11.50%
17	Governor, Lt. Governor, Cabinet		
18	Officers	0%	11.50%
19	State Attorneys, Public Defenders	0%	11.50%
20	Justices, Judges	0%	20.94%
21	County Elected Officers	0%	17.19%
22			
23	January 1, 1989, through December 31, 1989		
24	Legislators	0%	13.70%
25	Governor, Lt. Governor, Cabinet		
26	Officers	0%	13.70%
27	State Attorneys, Public Defenders	0%	13.70%
28	Justices, Judges	0%	22.58%
29	County Elected Officers	0%	18.44%
30			
31	January 1, 1990, through December 31, 1990		

1	Legislators	0%	15.91%
2	Governor, Lt. Governor, Cabinet		
3	Officers	0%	15.91%
4	State Attorneys, Public Defenders	0%	15.91%
5	Justices, Judges	0%	24.22%
6	County Elected Officers	0%	19.71%
7			
8	January 1, 1991, through December 31, 1991		
9	Legislators	0%	17.73%
10	Governor, Lt. Governor, Cabinet		
11	Officers	0%	17.73%
12	State Attorneys, Public Defenders	0%	17.73%
13	Justices, Judges	0%	26.63%
14	County Elected Officers	0%	23.32%
15			
16	January 1, 1992, through December 31, 1992		
17	Legislators	0%	19.94%
18	Governor, Lt. Governor, Cabinet		
19	Officers	0%	19.94%
20	State Attorneys, Public Defenders	0%	19.94%
21	Justices, Judges	0%	28.27%
22	County Elected Officers	0%	24.59%
23			
24	January 1, 1993, through December 31, 1993		
25	Legislators	0%	22.14%
26	Governor, Lt. Governor, Cabinet		
27	Officers	0%	22.14%
28	State Attorneys, Public Defenders	0%	22.14%
29	Justices, Judges	0%	29.91%
30	County Elected Officers	0%	25.84%
31			

1	January 1, 1994, through December 31, 1994		
2	Legislators	0%	22.65%
3	Governor, Lt. Governor, Cabinet		
4	Officers	0%	22.65%
5	State Attorneys, Public Defenders	0%	22.65%
6	Justices, Judges	0%	30.52%
7	County Elected Officers	0%	26.07%
8			
9	January 1, 1995, through December 31, 1995		
10	Legislators	0%	22.80%
11	Governor, Lt. Governor, Cabinet		
12	Officers	0%	22.80%
13	State Attorneys, Public Defenders	0%	22.80%
14	Justices, Judges	0%	30.21%
15	County Elected Officers	0%	27.48%
16			
17	January 1, 1996, through June 30, 1996		
18	Legislators	0%	22.90%
19	Governor, Lt. Governor, Cabinet		
20	Officers	0%	22.90%
21	State Attorneys, Public Defenders	0%	22.90%
22	Justices, Judges	0%	30.15%
23	County Elected Officers	0%	27.54%
24			
25	July 1, 1996, through June 30, 1998		
26	Legislators	0%	23.07%
27	Governor, Lt. Governor, Cabinet		
28	Officers	0%	23.07%
29	State Attorneys, Public Defenders	0%	23.07%
30	Justices, Judges	0%	29.55%
31	County Elected Officers	0%	27.33%

1			
2	July 1, 1998, through June 30, 1999		
3	Legislators	0%	22.33%
4	Governor, Lt. Governor, Cabinet		
5	Officers	0%	22.33%
6	State Attorneys, Public Defenders	0%	22.33%
7	Justices, Judges	0%	27.21%
8	County Elected Officers	0%	26.99%
9			
10	<del>Effective</del> <u>July 1, 1999, through</u>		
11	<u>June 30, 2001</u>		
12	Legislators	0%	14.31%
13	Governor, Lt. Governor, Cabinet		
14	Officers	0%	14.31%
15	State Attorneys, Public Defenders	0%	14.31%
16	Justices, Judges	0%	20.48%
17	County Elected Officers	0%	17.05%
18			
19	<u>Effective July 1, 2001</u>		
20	<u>Legislators</u>	<u>0%</u>	<u>15.14%</u>
21	<u>Governor, Lt. Governor, Cabinet</u>		
22	<u>Officers</u>	<u>0%</u>	<u>15.14%</u>
23	<u>State Attorneys, Public Defenders</u>	<u>0%</u>	<u>15.14%</u>
24	<u>Justices, Judges</u>	<u>0%</u>	<u>20.61%</u>
25	<u>County Elected Officers</u>	<u>0%</u>	<u>17.61%</u>
26			

27 Section 2. Paragraph (a) of subsection (3) of section  
28 121.055, Florida Statutes, is amended to read:  
29 121.055 Senior Management Service Class.--There is  
30 hereby established a separate class of membership within the  
31 Florida Retirement System to be known as the "Senior

1 Management Service Class," which shall become effective  
2 February 1, 1987.

3 (3)(a) The following table states the required  
4 retirement contribution rates for members of the Senior  
5 Management Service Class and their employers in terms of a  
6 percentage of the member's gross compensation. A change in the  
7 contribution rate is effective with the first salary paid on  
8 or after the beginning date of the change. Contributions  
9 shall be made for each pay period and are in addition to the  
10 contributions required for social security and the Retiree  
11 Health Insurance Subsidy Trust Fund.

12	13		
14	Rate Changes	Members	Employers
15			
16	February 1, 1987, through		
17	December 31, 1988	0%	13.88%
18	January 1, 1989, through		
19	December 31, 1989	0%	14.95%
20	January 1, 1990, through		
21	December 31, 1990	0%	16.04%
22	January 1, 1991, through		
23	December 31, 1991	0%	18.39%
24	January 1, 1992, through		
25	December 31, 1992	0%	19.48%
26	January 1, 1993, through		
27	December 31, 1993	0%	20.55%
28	January 1, 1994, through		
29	December 31, 1994	0%	23.07%
30	January 1, 1995, through		
31	December 31, 1995	0%	23.88%

1	January 1, 1996, through		
2	June 30, 1996	0%	24.14%
3	July 1, 1996, through		
4	June 30, 1998	0%	21.58%
5	July 1, 1998, through		
6	June 30, 1999	0%	23.10%
7	<del>Effective</del> <u>July 1, 1999, through</u>		
8	<u>June 30, 2001</u>	0%	11.19%
9	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>11.73%</u>

10

11           Section 3. Subsection (1) of section 121.071, Florida  
12 Statutes, is amended to read:

13           121.071 Contributions.--Contributions to the system  
14 shall be made as follows:

15           (1) The following tables state the required retirement  
16 contribution rates for members of the Regular Class, Special  
17 Risk Class, or Special Risk Administrative Support Class and  
18 their employers in terms of a percentage of the member's gross  
19 compensation. A change in a contribution rate is effective  
20 with the first salary paid on or after the beginning date of  
21 the change. Contributions shall be made or deducted as may be  
22 appropriate for each pay period and are in addition to the  
23 contributions required for social security and the Retiree  
24 Health Insurance Subsidy Trust Fund.

25           (a) Retirement contributions for regular members are  
26 as follows:

27

28 Dates of Contribution

29	Rate Changes	Members	Employers
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30

31



1			
2	December 1, 1970, through December		
3	31, 1974, for state agencies, state		
4	universities, community colleges,		
5	and district school boards	4%	4%
6			
7	December 1, 1970, through September		
8	30, 1975, for all other local		
9	government agencies	4%	4%
10			
11	January 1, 1975, through September		
12	30, 1978, for state agencies and		
13	state universities	0%	9%
14			
15	January 1, 1975, through July 31,		
16	1978, for community colleges and		
17	district school boards	0%	9%
18			
19	October 1, 1975, through September		
20	30, 1978, for all other local		
21	government agencies	0%	9%
22			
23	August 1, 1978, through September 30,		
24	1981, for community colleges and		
25	district school boards	0%	9.1%
26			
27	October 1, 1978, through September		
28	30, 1981, for all other agencies	0%	9.1%
29			
30	October 1, 1981, through		
31	September 30, 1984	0%	10.93%

1	October 1, 1984, through		
2	September 30, 1986	0%	12.24%
3	October 1, 1986, through		
4	December 31, 1988	0%	13.14%
5	January 1, 1989, through		
6	December 31, 1989	0%	13.90%
7	January 1, 1990, through		
8	December 31, 1990	0%	14.66%
9	January 1, 1991, through		
10	December 31, 1991	0%	15.72%
11	January 1, 1992, through		
12	December 31, 1992	0%	16.51%
13	January 1, 1993, through		
14	December 31, 1993	0%	17.27%
15	January 1, 1994, through		
16	December 31, 1994	0%	17.10%
17	January 1, 1995, through		
18	December 31, 1995	0%	16.91%
19	January 1, 1996, through		
20	June 30, 1996	0%	17.00%
21	July 1, 1996, through		
22	June 30, 1998	0%	16.77%
23	July 1, 1998, through		
24	June 30, 1999	0%	15.51%
25	<del>Effective</del> <u>July 1, 1999, through</u>		
26	<u>June 30, 2001</u>	0%	9.21%
27	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>9.91%</u>

28  
29 (b) Retirement contributions for special risk members  
30 are as follows:  
31

	Members	Employers
1 Dates of Contribution		
2 Rate Changes		
3		
4 December 1, 1970, through		
5 September 30, 1974	6%	6%
6		
7 October 1, 1974, through December 31,		
8 1974, for state agencies, state		
9 universities, community colleges,		
10 and district school boards	8%	8%
11		
12 October 1, 1974, through September		
13 30, 1975, for all other local		
14 government agencies	8%	8%
15		
16 January 1, 1975, through September		
17 30, 1978, for state agencies, state		
18 universities, community colleges,		
19 and district school boards	0%	13%
20		
21 October 1, 1975, through September		
22 30, 1978, for other local		
23 government agencies	0%	13%
24		
25 October 1, 1978, through		
26 September 30, 1981	0%	13.95%
27 October 1, 1981, through		
28 September 30, 1984	0%	13.91%
29 October 1, 1984, through		
30 September 30, 1986	0%	14.67%
31 October 1, 1986, through		

1	December 31, 1988	0%	15.11%
2	January 1, 1989, through		
3	December 31, 1989	0%	17.50%
4	January 1, 1990, through		
5	December 31, 1990	0%	19.90%
6	January 1, 1991, through		
7	December 31, 1991	0%	25.52%
8	January 1, 1992, through		
9	December 31, 1992	0%	26.35%
10	January 1, 1993, through		
11	December 31, 1993	0%	27.14%
12	January 1, 1994, through		
13	December 31, 1994	0%	27.03%
14	January 1, 1995, through		
15	December 31, 1995	0%	26.83%
16	January 1, 1996, through		
17	June 30, 1996	0%	26.84%
18	July 1, 1996, through		
19	June 30, 1998	0%	26.44%
20	July 1, 1998, through		
21	June 30, 1999	0%	24.38%
22	July 1, 1999, through		
23	June 30, 2000	0%	20.22%
24	<del>Effective</del> <u>July 1, 2000, through</u>		
25	<u>June 30, 2001</u>	0%	20.35%
26	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>22.07%</u>

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31

(c) Retirement contributions for special risk  
administrative support members are as follows:

	Members	Employers
1 Dates of Contribution		
2 Rate Changes		
3		
4 July 1, 1982, through		
5 September 30, 1984	0%	11.14%
6 October 1, 1984, through		
7 September 30, 1986	0%	13.09%
8 October 1, 1986, through		
9 December 31, 1988	0%	15.44%
10 January 1, 1989, through		
11 December 31, 1989	0%	14.76%
12 January 1, 1990, through		
13 December 31, 1990	0%	14.09%
14 January 1, 1991, through		
15 December 31, 1991	0%	20.16%
16 January 1, 1992, through		
17 December 31, 1992	0%	19.51%
18 January 1, 1993, through		
19 December 31, 1993	0%	18.83%
20 January 1, 1994, through		
21 December 31, 1994	0%	18.59%
22 January 1, 1995, through		
23 December 31, 1995	0%	17.81%
24 January 1, 1996, through		
25 June 30, 1996	0%	17.80%
26 July 1, 1996, through		
27 June 30, 1998	0%	17.20%
28 July 1, 1998, through		
29 June 30, 1999	0%	14.64%
30 July 1, 1999, through		
31 June 30, 2000	0%	11.53%

1	<del>Effective</del> <u>July 1, 2000, through</u>		
2	<u>June 30, 2001</u>	0%	11.74%
3	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>12.55%</u>

4  
5 Section 4. Paragraph (b) of subsection (12) of section  
6 121.40, Florida Statutes, is amended to read:

7 121.40 Cooperative extension personnel at the  
8 Institute of Food and Agricultural Sciences; supplemental  
9 retirement benefits.--

10 (12) CONTRIBUTIONS.--

11 (b) The monthly contributions required to be paid  
12 pursuant to paragraph (a) on the gross monthly salaries, from  
13 all sources with respect to such employment, paid to those  
14 employees of the institute who hold both state and federal  
15 appointments and who participate in the federal Civil Service  
16 Retirement System shall be as follows:

18	Dates of Contribution	Percentage
19	Rate Changes	Due
21	July 1, 1985, through December 31, 1988	6.68%
22	January 1, 1989, through December 31, 1993	6.35%
23	January 1, 1994, through December 31, 1994	6.69%
24	January 1, 1995, through June 30, 1996	6.82%
25	July 1, 1996, through June 30, 1998	5.64%
26	<del>Effective</del> <u>July 1, 1998, through</u>	
27	<u>June 30, 2001</u>	7.17%
28	<u>Effective July 1, 2001</u>	<u>6.96%</u>

29  
30 Section 5. Paragraph (a) of subsection (4) of section  
31 121.35, Florida Statutes, is amended to read:

1           121.35 Optional retirement program for the State  
2 University System.--

3           (4) CONTRIBUTIONS.--

4           (a) Each employer shall contribute on behalf of each  
5 participant in the optional retirement program an amount equal  
6 to 10.43 percent of the participant's gross monthly salary ~~the~~  
7 ~~normal cost portion of the employer retirement contribution~~  
8 ~~which would be required if the participant were a regular~~  
9 ~~member of the Florida Retirement System, plus the portion of~~  
10 ~~the contribution rate required in s. 112.363(8) that would~~  
11 ~~otherwise be assigned to the Retiree Health Insurance Subsidy~~  
12 ~~Trust Fund,~~ less an amount approved by the Legislature which  
13 shall be deducted by the department to provide for the  
14 administration of this program. The payment of the  
15 contributions to the optional program which is required by  
16 this paragraph for each participant shall be made by the  
17 employer to the department, which shall forward the  
18 contributions to the designated company or companies  
19 contracting for payment of benefits for the participant under  
20 the program. However, such contributions paid on behalf of an  
21 employee described in paragraph (3)(c) shall not be forwarded  
22 to a company and shall not begin to accrue interest until the  
23 employee has executed an annuity contract and notified the  
24 department.

25           Section 6. (1) It is the intent of the Legislature  
26 that the normal costs attributable to the 1999 actuarial  
27 experience study and the 2000 actuarial valuation study of the  
28 Florida Retirement System defined benefit retirement program  
29 conducted by Milliman & Robertson, Inc., consulting actuaries  
30 for the system, shall be funded by recognition of a lump sum  
31 from the excess actuarial assets of the Florida Retirement

1 System Trust Fund. For fiscal year 2001-2002, the lump sum to  
2 be recognized shall be the annual cost attributable to the  
3 1999 actuarial experience study and the 2000 actuarial  
4 valuation.

5 (2) Effective July 1, 2001, for fiscal year 2001-2002  
6 only, the contribution rates set forth in sections 1 through 3  
7 of this act shall be reduced as follows:

8 (a) The contribution rate that applies to the Regular  
9 Class of the Florida Retirement System defined benefit program  
10 shall be reduced by 0.70 percentage points.

11 (b) The contribution rate that applies to the Special  
12 Risk Class of the Florida Retirement System defined benefit  
13 program shall be reduced by 1.72 percentage points.

14 (c) The contribution rate that applies to the Special  
15 Risk Administrative Support Class of the Florida Retirement  
16 System defined benefit program shall be reduced by 0.81  
17 percentage points.

18 (d) The contribution rate that applies to the Judicial  
19 subclass of the Elected Officers' Class of the Florida  
20 Retirement System defined benefit program shall be reduced by  
21 0.14 percentage points.

22 (e) The contribution rate that applies to the  
23 legislative-attorney-Cabinet subclass of the Elected Officers'  
24 Class of the Florida Retirement System defined benefit program  
25 shall be reduced by 0.83 percentage points.

26 (f) The contribution rate that applies to the County  
27 Officers' subclass of the Elected Officers' Class of the  
28 Florida Retirement System defined benefit program shall be  
29 reduced by 0.57 percentage points.

30 (g) The contribution rate that applies to the Senior  
31 Management Service Class of the Florida Retirement System



1 defined benefit program shall be reduced by 0.54 percentage  
2 points.

3 Section 7. (1) Effective July 1, 2001, for fiscal  
4 year 2001-2002 only, the contribution rates for the defined  
5 benefit program for the Regular Class, Special Risk Class,  
6 Special Risk Administrative Support Class, each subclass of  
7 the Elected Officers' Class, and the Senior Management Service  
8 Class each shall be reduced by 2.6 percentage points. These  
9 reductions shall be in addition to all other changes to such  
10 contribution rates which may be enacted into law after July 1,  
11 2001.

12 (2) It is the intent of the Legislature that the costs  
13 attributable to the reduction of contribution rates pursuant  
14 to subsection (1) shall be funded by recognition of a lump sum  
15 equal to the annual cost attributable to this reduction of the  
16 contribution rates from the excess actuarial assets of the  
17 Florida Retirement System Trust Fund.

18 Section 8. Subsection (2) of section 20 of chapter  
19 2000-169, Laws of Florida, is repealed.

20 Section 9. The Legislature finds that a proper and  
21 legitimate state purpose is served when employees, officers,  
22 and retirees of the state and of its political subdivisions,  
23 and the dependents, survivors, and beneficiaries of such  
24 employees, officers, and retirees, are extended the basic  
25 protections afforded by governmental retirement systems that  
26 provide fair and adequate benefits and that are managed,  
27 administered, and funded in an actuarially sound manner, as  
28 required by s. 14 of Art. X of the State Constitution and part  
29 VII of chapter 112 of the Florida Statutes. Therefore, the  
30 Legislature hereby determines and declares that the provisions  
31 of this act fulfill an important state interest.

1           Section 10. This act shall take effect July 1,2001.

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HOUSE SUMMARY

Revises various provisions of the Florida Retirement System to:  
1. Revise contribution rates for specified classes and subclasses of the system.  
2. Revise contribution rates for participants in the optional retirement program of the State University System.  
3. Recognize excess actuarial assets to fund costs and rate reduction.