

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 ss. 121.35, 121.051,  
7           121.055, and 240.3195, F.S.; changing employer  
8           contribution rates for participants in the  
9           State University System optional retirement  
10          program, the Community College optional  
11          retirement program, and the Senior Management  
12          Service optional annuity program; providing  
13          legislative intent; recognizing excess  
14          actuarial assets to fund costs and rate  
15          reductions; reducing certain contribution  
16          rates; repealing s. 20 of ch. 2000-169, Laws of  
17          Florida, relating to increasing contributions  
18          rates; amending s. 112.363, 121.052, 121.055,  
19          and 121.071, F.S.; changing the employer  
20          contribution for the retiree health insurance  
21          subsidy; amending s. 121.571, F.S.; adding  
22          cross references; providing a finding of  
23          important state interest; providing an  
24          effective date.

25  
26   Be It Enacted by the Legislature of the State of Florida:

27  
28           Section 1. Paragraph (a) of subsection (7) of section  
29   121.052, Florida Statutes, is amended to read:  
30           121.052 Membership class of elected officers.--  
31           (7) CONTRIBUTIONS.--

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

10	11 Dates of Contribution		
12	Rate Changes	Members	Employers
13	14 <del>July 1, 1972, through September 30, 1977</del>		
15	<del>Legislators</del>	8%	8%
16	<del>All Other Members</del>	8%	8%
17	18 <del>October 1, 1977, through September 30, 1978</del>		
19	<del>Legislators</del>	8%	8%
20	<del>All Other Members</del>	4%	12%
21	22 <del>October 1, 1978, through September 30, 1979</del>		
23	<del>Legislators</del>	8%	10.57%
24	<del>All Other Members</del>	4%	16.78%
25	26 <del>October 1, 1979, through September 30, 1981</del>		
27	<del>Legislators</del>	8%	10.57%
28	<del>Governor, Lt. Governor, Cabinet</del>		
29	<del>Officers</del>	4%	16.78%
30	<del>All Other Members</del>	0%	20.78%
31			

1	<del>July 1, 1981, through June 30, 1984</del>		
2	<del>County Elected Officers</del>	0%	<del>19.30%</del>
3			
4	<del>July 1, 1984, through September 30, 1984</del>		
5	<del>County Elected Officers</del>	0%	<del>20.25%</del>
6			
7	<del>October 1, 1981, through September 30, 1984</del>		
8	<del>Legislators</del>	0%	<del>19.30%</del>
9	<del>Governor, Lt. Governor, Cabinet</del>		
10	<del>Officers</del>	0%	<del>21.03%</del>
11	<del>State Attorneys, Public Defenders</del>	0%	<del>20.95%</del>
12	<del>Justices, Judges</del>	0%	<del>22.55%</del>
13			
14	<del>October 1, 1984, through September 30, 1986</del>		
15	<del>Legislators</del>	0%	<del>10.98%</del>
16	<del>Governor, Lt. Governor, Cabinet</del>		
17	<del>Officers</del>	0%	<del>10.98%</del>
18	<del>State Attorneys, Public Defenders</del>	0%	<del>10.98%</del>
19	<del>Justices, Judges</del>	0%	<del>21.79%</del>
20	<del>County Elected Officers</del>	0%	<del>16.97%</del>
21			
22	<del>October 1, 1986, through December 31, 1988</del>		
23	<del>Legislators</del>	0%	<del>11.50%</del>
24	<del>Governor, Lt. Governor, Cabinet</del>		
25	<del>Officers</del>	0%	<del>11.50%</del>
26	<del>State Attorneys, Public Defenders</del>	0%	<del>11.50%</del>
27	<del>Justices, Judges</del>	0%	<del>20.94%</del>
28	<del>County Elected Officers</del>	0%	<del>17.19%</del>
29			
30	<del>January 1, 1989, through December 31, 1989</del>		
31	<del>Legislators</del>	0%	<del>13.70%</del>

1	<del>Governor, Lt. Governor, Cabinet</del>		
2	<del>Officers</del>	0%	<del>13.70%</del>
3	<del>State Attorneys, Public Defenders</del>	0%	<del>13.70%</del>
4	<del>Justices, Judges</del>	0%	<del>22.58%</del>
5	<del>County Elected Officers</del>	0%	<del>18.44%</del>
6			
7	<del>January 1, 1990, through December 31, 1990</del>		
8	<del>Legislators</del>	0%	<del>15.91%</del>
9	<del>Governor, Lt. Governor, Cabinet</del>		
10	<del>Officers</del>	0%	<del>15.91%</del>
11	<del>State Attorneys, Public Defenders</del>	0%	<del>15.91%</del>
12	<del>Justices, Judges</del>	0%	<del>24.22%</del>
13	<del>County Elected Officers</del>	0%	<del>19.71%</del>
14			
15	<del>January 1, 1991, through December 31, 1991</del>		
16	<del>Legislators</del>	0%	<del>17.73%</del>
17	<del>Governor, Lt. Governor, Cabinet</del>		
18	<del>Officers</del>	0%	<del>17.73%</del>
19	<del>State Attorneys, Public Defenders</del>	0%	<del>17.73%</del>
20	<del>Justices, Judges</del>	0%	<del>26.63%</del>
21	<del>County Elected Officers</del>	0%	<del>23.32%</del>
22			
23	<del>January 1, 1992, through December 31, 1992</del>		
24	<del>Legislators</del>	0%	<del>19.94%</del>
25	<del>Governor, Lt. Governor, Cabinet</del>		
26	<del>Officers</del>	0%	<del>19.94%</del>
27	<del>State Attorneys, Public Defenders</del>	0%	<del>19.94%</del>
28	<del>Justices, Judges</del>	0%	<del>28.27%</del>
29	<del>County Elected Officers</del>	0%	<del>24.59%</del>
30			
31	<del>January 1, 1993, through December 31, 1993</del>		

1	<del>Legislators</del>	0%	<del>22.14%</del>
2	<del>Governor, Lt. Governor, Cabinet</del>		
3	<del>Officers</del>	0%	<del>22.14%</del>
4	<del>State Attorneys, Public Defenders</del>	0%	<del>22.14%</del>
5	<del>Justices, Judges</del>	0%	<del>29.91%</del>
6	<del>County Elected Officers</del>	0%	<del>25.84%</del>
7			
8	<del>January 1, 1994, through December 31, 1994</del>		
9	<del>Legislators</del>	0%	<del>22.65%</del>
10	<del>Governor, Lt. Governor, Cabinet</del>		
11	<del>Officers</del>	0%	<del>22.65%</del>
12	<del>State Attorneys, Public Defenders</del>	0%	<del>22.65%</del>
13	<del>Justices, Judges</del>	0%	<del>30.52%</del>
14	<del>County Elected Officers</del>	0%	<del>26.07%</del>
15			
16	<del>January 1, 1995, through December 31, 1995</del>		
17	<del>Legislators</del>	0%	<del>22.80%</del>
18	<del>Governor, Lt. Governor, Cabinet</del>		
19	<del>Officers</del>	0%	<del>22.80%</del>
20	<del>State Attorneys, Public Defenders</del>	0%	<del>22.80%</del>
21	<del>Justices, Judges</del>	0%	<del>30.21%</del>
22	<del>County Elected Officers</del>	0%	<del>27.48%</del>
23			
24	<del>January 1, 1996, through June 30, 1996</del>		
25	<del>Legislators</del>	0%	<del>22.90%</del>
26	<del>Governor, Lt. Governor, Cabinet</del>		
27	<del>Officers</del>	0%	<del>22.90%</del>
28	<del>State Attorneys, Public Defenders</del>	0%	<del>22.90%</del>
29	<del>Justices, Judges</del>	0%	<del>30.15%</del>
30	<del>County Elected Officers</del>	0%	<del>27.54%</del>
31			

1	<del>July 1, 1996, through June 30, 1998</del>		
2	<del>Legislators</del>	<del>0%</del>	<del>23.07%</del>
3	<del>Governor, Lt. Governor, Cabinet</del>		
4	<del>Officers</del>	<del>0%</del>	<del>23.07%</del>
5	<del>State Attorneys, Public Defenders</del>	<del>0%</del>	<del>23.07%</del>
6	<del>Justices, Judges</del>	<del>0%</del>	<del>29.55%</del>
7	<del>County Elected Officers</del>	<del>0%</del>	<del>27.33%</del>
8			
9	<del>July 1, 1998, through June 30, 1999</del>		
10	<del>Legislators</del>	<del>0%</del>	<del>22.33%</del>
11	<del>Governor, Lt. Governor, Cabinet</del>		
12	<del>Officers</del>	<del>0%</del>	<del>22.33%</del>
13	<del>State Attorneys, Public Defenders</del>	<del>0%</del>	<del>22.33%</del>
14	<del>Justices, Judges</del>	<del>0%</del>	<del>27.21%</del>
15	<del>County Elected Officers</del>	<del>0%</del>	<del>26.99%</del>
16			
17	<del>Effective July 1, 1999</del>		
18	<del>Legislators</del>	<del>0%</del>	<del>14.31%</del>
19	<del>Governor, Lt. Governor, Cabinet</del>		
20	<del>Officers</del>	<del>0%</del>	<del>14.31%</del>
21	<del>State Attorneys, Public Defenders</del>	<del>0%</del>	<del>14.31%</del>
22	<del>Justices, Judges</del>	<del>0%</del>	<del>20.48%</del>
23	<del>County Elected Officers</del>	<del>0%</del>	<del>17.05%</del>
24			
25	<u>Effective July 1, 2001</u>		
26	<u>Legislators</u>	<u>0%</u>	<u>15.14%</u>
27	<u>Governor, Lt. Governor, Cabinet</u>		
28	<u>Officers</u>	<u>0%</u>	<u>15.14%</u>
29	<u>State Attorneys, Public Defenders</u>	<u>0%</u>	<u>15.14%</u>
30	<u>Justices, Judges</u>	<u>0%</u>	<u>20.61%</u>
31	<u>County Elected Officers</u>	<u>0%</u>	<u>17.61%</u>

1  
2 Section 2. Paragraph (a) of subsection (3) of section  
3 121.055, Florida Statutes, is amended to read:

4 121.055 Senior Management Service Class.--There is  
5 hereby established a separate class of membership within the  
6 Florida Retirement System to be known as the "Senior  
7 Management Service Class," which shall become effective  
8 February 1, 1987.

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

18

19 Dates of Contribution	Members	Employers
20 Rate Changes		
21		
22 <del>February 1, 1987, through</del>		
23 <del>December 31, 1988</del>	0%	13.88%
24 <del>January 1, 1989, through</del>		
25 <del>December 31, 1989</del>	0%	14.95%
26 <del>January 1, 1990, through</del>		
27 <del>December 31, 1990</del>	0%	16.04%
28 <del>January 1, 1991, through</del>		
29 <del>December 31, 1991</del>	0%	18.39%
30 <del>January 1, 1992, through</del>		
31 <del>December 31, 1992</del>	0%	19.48%

1	<del>January 1, 1993, through</del>		
2	<del>December 31, 1993</del>	0%	20.55%
3	<del>January 1, 1994, through</del>		
4	<del>December 31, 1994</del>	0%	23.07%
5	<del>January 1, 1995, through</del>		
6	<del>December 31, 1995</del>	0%	23.88%
7	<del>January 1, 1996, through</del>		
8	<del>June 30, 1996</del>	0%	24.14%
9	<del>July 1, 1996, through</del>		
10	<del>June 30, 1998</del>	0%	21.58%
11	<del>July 1, 1998, through</del>		
12	<del>June 30, 1999</del>	0%	23.10%
13	<del>Effective July 1, 1999</del>		
14	<del>-</del>	0%	11.19%
15	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>11.73%</u>
16			
17	Section 3. Subsection (1) of section 121.071, Florida		
18	Statutes, is amended to read:		
19	121.071 Contributions.--Contributions to the system		
20	shall be made as follows:		
21	(1) The following tables state the required retirement		
22	contribution rates for members of the Regular Class, Special		
23	Risk Class, or Special Risk Administrative Support Class and		
24	their employers in terms of a percentage of the member's gross		
25	compensation. A change in a contribution rate is effective		
26	with the first salary paid on or after the beginning date of		
27	the change. Contributions shall be made or deducted as may be		
28	appropriate for each pay period and are in addition to the		
29	contributions required for social security and the Retiree		
30	Health Insurance Subsidy Trust Fund.		
31			



1 (a) Retirement contributions for regular members are  
 2 as follows:  
 3

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

31

1			
2	<del>October 1, 1978, through September</del>		
3	<del>30, 1981, for all other agencies</del>	0%	9.1%
4			
5	<del>October 1, 1981, through</del>		
6	<del>September 30, 1984</del>	0%	10.93%
7	<del>October 1, 1984, through</del>		
8	<del>September 30, 1986</del>	0%	12.24%
9	<del>October 1, 1986, through</del>		
10	<del>December 31, 1988</del>	0%	13.14%
11	<del>January 1, 1989, through</del>		
12	<del>December 31, 1989</del>	0%	13.90%
13	<del>January 1, 1990, through</del>		
14	<del>December 31, 1990</del>	0%	14.66%
15	<del>January 1, 1991, through</del>		
16	<del>December 31, 1991</del>	0%	15.72%
17	<del>January 1, 1992, through</del>		
18	<del>December 31, 1992</del>	0%	16.51%
19	<del>January 1, 1993, through</del>		
20	<del>December 31, 1993</del>	0%	17.27%
21	<del>January 1, 1994, through</del>		
22	<del>December 31, 1994</del>	0%	17.10%
23	<del>January 1, 1995, through</del>		
24	<del>December 31, 1995</del>	0%	16.91%
25	<del>January 1, 1996, through</del>		
26	<del>June 30, 1996</del>	0%	17.00%
27	<del>July 1, 1996, through</del>		
28	<del>June 30, 1998</del>	0%	16.77%
29	<del>July 1, 1998, through</del>		
30	<del>June 30, 1999</del>	0%	15.51%
31	<del>Effective July 1, 1999</del>		

1	<del>—</del>	0%	<del>9.21%</del>
2	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>9.91%</u>
3			
4	(b) Retirement contributions for special risk members		
5	are as follows:		
6			
7	Dates of Contribution		
8	Rate Changes	Members	Employers
9			
10	<del>December 1, 1970, through</del>		
11	<del>September 30, 1974</del>	<del>6%</del>	<del>6%</del>
12			
13	<del>October 1, 1974, through December 31,</del>		
14	<del>1974, for state agencies, state</del>		
15	<del>universities, community colleges,</del>		
16	<del>and district school boards</del>	<del>8%</del>	<del>8%</del>
17			
18	<del>October 1, 1974, through September</del>		
19	<del>30, 1975, for all other local</del>		
20	<del>government agencies</del>	<del>8%</del>	<del>8%</del>
21			
22	<del>January 1, 1975, through September</del>		
23	<del>30, 1978, for state agencies, state</del>		
24	<del>universities, community colleges,</del>		
25	<del>and district school boards</del>	<del>0%</del>	<del>13%</del>
26			
27	<del>October 1, 1975, through September</del>		
28	<del>30, 1978, for other local</del>		
29	<del>government agencies</del>	<del>0%</del>	<del>13%</del>
30			
31	<del>October 1, 1978, through</del>		

1	<del>September 30, 1981</del>	0%	<del>13.95%</del>
2	<del>October 1, 1981, through</del>		
3	<del>September 30, 1984</del>	0%	<del>13.91%</del>
4	<del>October 1, 1984, through</del>		
5	<del>September 30, 1986</del>	0%	<del>14.67%</del>
6	<del>October 1, 1986, through</del>		
7	<del>December 31, 1988</del>	0%	<del>15.11%</del>
8	<del>January 1, 1989, through</del>		
9	<del>December 31, 1989</del>	0%	<del>17.50%</del>
10	<del>January 1, 1990, through</del>		
11	<del>December 31, 1990</del>	0%	<del>19.90%</del>
12	<del>January 1, 1991, through</del>		
13	<del>December 31, 1991</del>	0%	<del>25.52%</del>
14	<del>January 1, 1992, through</del>		
15	<del>December 31, 1992</del>	0%	<del>26.35%</del>
16	<del>January 1, 1993, through</del>		
17	<del>December 31, 1993</del>	0%	<del>27.14%</del>
18	<del>January 1, 1994, through</del>		
19	<del>December 31, 1994</del>	0%	<del>27.03%</del>
20	<del>January 1, 1995, through</del>		
21	<del>December 31, 1995</del>	0%	<del>26.83%</del>
22	<del>January 1, 1996, through</del>		
23	<del>June 30, 1996</del>	0%	<del>26.84%</del>
24	<del>July 1, 1996, through</del>		
25	<del>June 30, 1998</del>	0%	<del>26.44%</del>
26	<del>July 1, 1998, through</del>		
27	<del>June 30, 1999</del>	0%	<del>24.38%</del>
28	<del>July 1, 1999, through</del>		
29	<del>June 30, 2000</del>	0%	<del>20.22%</del>
30	<del>Effective July 1, 2000</del>		
31		0%	20.35%

1	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>22.07%</u>
2			
3	(c) Retirement contributions for special risk		
4	administrative support members are as follows:		
5			
6	Dates of Contribution		
7	Rate Changes	Members	Employers
8			
9	<del>July 1, 1982, through</del>		
10	<del>September 30, 1984</del>	0%	11.14%
11	<del>October 1, 1984, through</del>		
12	<del>September 30, 1986</del>	0%	13.09%
13	<del>October 1, 1986, through</del>		
14	<del>December 31, 1988</del>	0%	15.44%
15	<del>January 1, 1989, through</del>		
16	<del>December 31, 1989</del>	0%	14.76%
17	<del>January 1, 1990, through</del>		
18	<del>December 31, 1990</del>	0%	14.09%
19	<del>January 1, 1991, through</del>		
20	<del>December 31, 1991</del>	0%	20.16%
21	<del>January 1, 1992, through</del>		
22	<del>December 31, 1992</del>	0%	19.51%
23	<del>January 1, 1993, through</del>		
24	<del>December 31, 1993</del>	0%	18.83%
25	<del>January 1, 1994, through</del>		
26	<del>December 31, 1994</del>	0%	18.59%
27	<del>January 1, 1995, through</del>		
28	<del>December 31, 1995</del>	0%	17.81%
29	<del>January 1, 1996, through</del>		
30	<del>June 30, 1996</del>	0%	17.80%
31	<del>July 1, 1996, through</del>		

1	<del>June 30, 1998</del>	0%	<del>17.20%</del>
2	<del>July 1, 1998, through</del>		
3	<del>June 30, 1999</del>	0%	<del>14.64%</del>
4	<del>July 1, 1999, through</del>		
5	<del>June 30, 2000</del>	0%	<del>11.53%</del>
6	<del>Effective July 1, 2000</del>		
7		0%	<del>11.74%</del>
8	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>12.55%</u>

10 Section 4. Paragraph (b) of subsection (12) of section  
 11 121.40, Florida Statutes, is amended to read:

12 121.40 Cooperative extension personnel at the  
 13 Institute of Food and Agricultural Sciences; supplemental  
 14 retirement benefits.--

15 (12) CONTRIBUTIONS.--

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

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

1	<u>June 30, 2001</u>	7.17%
2	<u>Effective July 1, 2001</u>	<u>6.96%</u>

3  
 4 Section 5. Paragraph (a) of subsection (4) of section  
 5 121.35, Florida Statutes, is amended to read:

6 121.35 Optional retirement program for the State  
 7 University System.--

8 (4) CONTRIBUTIONS.--

9 (a) Through June 30, 2001,each employer shall  
 10 contribute on behalf of each participant in the optional  
 11 retirement program an amount equal to the normal cost portion  
 12 of the employer retirement contribution which would be  
 13 required if the participant were a regular member of the  
 14 Florida Retirement System defined benefit program, plus the  
 15 portion of the contribution rate required in s. 112.363(8)  
 16 that would otherwise be assigned to the Retiree Health  
 17 Insurance Subsidy Trust Fund. Effective July 1, 2001, each  
 18 employer shall contribute on behalf of each participant in the  
 19 optional program an amount equal to 10.43 percent of the  
 20 participant's gross monthly compensation. The department  
 21 shall deduct, less an amount approved by the Legislature ~~which~~  
 22 ~~shall be deducted by the department~~ to provide for the  
 23 administration of this program. The payment of the  
 24 contributions to the optional program which is required by  
 25 this paragraph for each participant shall be made by the  
 26 employer to the department, which shall forward the  
 27 contributions to the designated company or companies  
 28 contracting for payment of benefits for the participant under  
 29 the program. However, such contributions paid on behalf of an  
 30 employee described in paragraph (3)(c) shall not be forwarded  
 31 to a company and shall not begin to accrue interest until the

1 employee has executed an annuity contract and notified the  
2 department.

3 Section 6. Paragraph (c) of subsection (2) of section  
4 121.051, Florida Statutes, is amended to read:

5 121.051 Participation in the system.--

6 (2) OPTIONAL PARTICIPATION.--

7 (c) Employees of members of the Florida Community  
8 College System or charter technical career centers sponsored  
9 by members of the Florida Community College System, as  
10 designated in s. 240.3031, who are members of the Regular  
11 Class of the Florida Retirement System and who comply with the  
12 criteria set forth in this paragraph and in s. 240.3195 may  
13 elect, in lieu of participating in the Florida Retirement  
14 System, to withdraw from the Florida Retirement System  
15 altogether and participate in a lifetime monthly annuity  
16 program, to be known as the State Community College System  
17 Optional Retirement Program, which may be provided by the  
18 employing agency under s. 240.3195. Pursuant thereto:

19 1. Through June 30, 2001,the cost to the employer for  
20 such annuity shall equal the normal cost portion of the  
21 employer retirement contribution which would be required if  
22 the employee were a member of the Regular Class defined  
23 benefit program, plus the portion of the contribution rate  
24 required by s. 112.363(8) that would otherwise be assigned to  
25 the Retiree Health Insurance Subsidy Trust Fund.Effective  
26 July 1, 2001, each employer shall contribute on behalf of each  
27 participant in the optional program an amount equal to 10.43  
28 percent of the participant's gross monthly compensation. The  
29 employer shall deduct, and less an amount ~~approved by the~~  
30 ~~employer~~ to provide for the administration of the optional  
31 retirement program. The employer providing such annuity shall



1 contribute an additional amount to the Florida Retirement  
2 System Trust Fund equal to the unfunded actuarial accrued  
3 liability portion of the Regular Class contribution rate.

4         2. The decision to participate in such an optional  
5 retirement program shall be irrevocable for as long as the  
6 employee holds a position eligible for participation. Any  
7 service creditable under the Florida Retirement System shall  
8 be retained after the member withdraws from the Florida  
9 Retirement System; however, additional service credit in the  
10 Florida Retirement System shall not be earned while a member  
11 of the optional retirement program.

12         3. Participation in an optional annuity program shall  
13 be limited to those employees who satisfy the following  
14 eligibility criteria:

15             a. The employee must be otherwise eligible for  
16 membership in the Regular Class of the Florida Retirement  
17 System, as provided in s. 121.021(11) and (12).

18             b. The employee must be employed in a full-time  
19 position classified in the Accounting Manual for Florida's  
20 Public Community Colleges as:

21                 (I) Instructional; or

22                 (II) Executive Management, Instructional Management,  
23 or Institutional Management, if a community college determines  
24 that recruiting to fill a vacancy in the position is to be  
25 conducted in the national or regional market, and:

26                     (A) The duties and responsibilities of the position  
27 include either the formulation, interpretation, or  
28 implementation of policies; or

29                     (B) The duties and responsibilities of the position  
30 include the performance of functions that are unique or  
31

1 specialized within higher education and that frequently  
2 involve the support of the mission of the community college.

3 c. The employee must be employed in a position not  
4 included in the Senior Management Service Class of the Florida  
5 Retirement System, as described in s. 121.055.

6 4. Participants in the program are subject to the same  
7 reemployment limitations, renewed membership provisions, and  
8 forfeiture provisions as are applicable to regular members of  
9 the Florida Retirement System under ss. 121.091(9), 121.122,  
10 and 121.091(5), respectively.

11 5. Eligible community college employees shall be  
12 compulsory members of the Florida Retirement System until,  
13 pursuant to the procedures set forth in s. 240.3195, the first  
14 day of the next full calendar month following the filing of  
15 both a written election to withdraw and a completed  
16 application for an individual contract or certificate with the  
17 program administrator and receipt of such election by the  
18 division.

19 Section 7. Paragraph (d) of subsection (6) of section  
20 121.055, Florida Statutes, is amended to read:

21 121.055 Senior Management Service Class.--There is  
22 hereby established a separate class of membership within the  
23 Florida Retirement System to be known as the "Senior  
24 Management Service Class," which shall become effective  
25 February 1, 1987.

26 (6)

27 (d) Contributions.--

28 1. Through June 30, 2001, each employer shall  
29 contribute on behalf of each participant in the Senior  
30 Management Service Optional Annuity Program an amount equal to  
31 the normal cost portion of the employer retirement

1 contribution which would be required if the participant were a  
 2 Senior Management Service Class member of the Florida  
 3 Retirement System defined benefit program, plus the portion of  
 4 the contribution rate required in s. 112.363(8) that would  
 5 otherwise be assigned to the Retiree Health Insurance Subsidy  
 6 Trust Fund. Effective July 1, 2001, each employer shall  
 7 contribute on behalf of each participant in the optional  
 8 program an amount equal to 12.49 percent of the participant's  
 9 gross monthly compensation. The department shall deduct, ~~less~~  
 10 an amount approved by the Legislature ~~which shall be deducted~~  
 11 ~~by the department~~ to provide for the administration of this  
 12 program. The payment of the contributions to the optional  
 13 program which is required by this subparagraph for each  
 14 participant shall be made by the employer to the department,  
 15 which shall forward the contributions to the designated  
 16 company or companies contracting for payment of benefits for  
 17 the participant under the program.

18         2. Each employer shall contribute on behalf of each  
 19 participant in the Senior Management Service Optional Annuity  
 20 Program an amount equal to the unfunded actuarial accrued  
 21 liability portion of the employer contribution which would be  
 22 required for members of the Senior Management Service Class in  
 23 the Florida Retirement System. This contribution shall be  
 24 paid to the department for transfer to the Florida Retirement  
 25 System Trust Fund.

26         3. An Optional Annuity Program Trust Fund shall be  
 27 established in the State Treasury and administered by the  
 28 department to make payments to provider companies on behalf of  
 29 the optional annuity program participants, and to transfer the  
 30 unfunded liability portion of the state optional annuity  
 31

1 program contributions to the Florida Retirement System Trust  
2 Fund.

3 4. Contributions required for social security by each  
4 employer and each participant, in the amount required for  
5 social security coverage as now or hereafter may be provided  
6 by the federal Social Security Act shall be maintained for  
7 each participant in the Senior Management Service retirement  
8 program and shall be in addition to the retirement  
9 contributions specified in this paragraph.

10 5. Each participant in the Senior Management Service  
11 Optional Annuity Program may contribute by way of salary  
12 reduction or deduction a percentage amount of the  
13 participant's gross compensation not to exceed the percentage  
14 amount contributed by the employer to the optional annuity  
15 program. Payment of the participant's contributions shall be  
16 made by the employer to the department, which shall forward  
17 the contributions to the designated company or companies  
18 contracting for payment of benefits for the participant under  
19 the program.

20 Section 8. Paragraph (a) of subsection (4) of section  
21 240.3195, Florida Statutes, is amended to read:

22 240.3195 State Community College System Optional  
23 Retirement Program.--Each community college may implement an  
24 optional retirement program, if such program is established  
25 therefor pursuant to s. 240.319(4)(r), under which annuity  
26 contracts providing retirement and death benefits may be  
27 purchased by, and on behalf of, eligible employees who  
28 participate in the program. Except as otherwise provided  
29 herein, this retirement program, which shall be known as the  
30 State Community College System Optional Retirement Program,  
31

1 may be implemented and administered only by an individual  
2 community college or by a consortium of community colleges.

3       (4)(a) Through June 30, 2001, each college must  
4 contribute on behalf of each program participant an amount  
5 equal to the normal cost portion of the employer retirement  
6 contribution which would be required if the program  
7 participant were a member of the Regular Class of the Florida  
8 Retirement System as provided in s. 121.071, plus the portion  
9 of the contribution rate required in s. 112.363(8) that would  
10 otherwise be assigned to the Retiree Health Insurance Subsidy  
11 Trust Fund.Effective July 1, 2001, each college must  
12 contribute on behalf of each program participant an amount  
13 equal to 10.43 percent of the participant's gross monthly  
14 compensation. The college shall deduct, ~~and less~~ an amount  
15 approved by the community college to provide for the  
16 administration of the optional retirement program. Payment of  
17 this contribution must be made either directly by the  
18 community college or through the program administrator to the  
19 designated company contracting for payment of benefits to the  
20 program participant.

21       (b) Each community college must contribute on behalf  
22 of each program participant an amount equal to the unfunded  
23 actuarial accrued liability portion of the employer  
24 contribution which would be required if the program  
25 participant were a member of the Regular Class of the Florida  
26 Retirement System. Payment of this contribution must be made  
27 directly by the college to the department for deposit in the  
28 Florida Retirement System Trust Fund.

29       (c) Each program participant who has executed an  
30 annuity contract may contribute by way of salary reduction or  
31 deduction a percentage of the program participant's gross

1 compensation, but this percentage may not exceed the  
2 corresponding percentage contributed by the community college  
3 to the optional retirement program. Payment of this  
4 contribution may be made either directly by the college or  
5 through the program administrator to the designated company  
6 contracting for payment of benefits to the program  
7 participant.

8 (d) Contributions to an optional retirement program by  
9 a college or a program participant are in addition to, and  
10 have no effect upon, contributions required now or in future  
11 by the federal Social Security Act.

12 Section 9. (1) It is the intent of the Legislature  
13 that the normal costs attributable to the actuarial experience  
14 study and six-year vesting as determined by Milliman &  
15 Robertson, Inc., consulting actuaries for the system, shall be  
16 funded by recognition of a lump sum from the excess actuarial  
17 assets of the Florida Retirement System Trust Fund. For fiscal  
18 year 2001-2002, the lump sum to be recognized shall be the  
19 annual cost attributable to the actuarial experience study and  
20 six-year vesting.

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

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

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

30 (c) The contribution rate that applies to the Special  
31 Risk Administrative Support Class of the Florida Retirement

1 System defined benefit program shall be reduced by 0.81  
2 percentage points.

3 (d) The contribution rate that applies to the Judicial  
4 subclass of the Elected Officers' Class of the Florida  
5 Retirement System defined benefit program shall be reduced by  
6 0.14 percentage points.

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

11 (f) The contribution rate that applies to the County  
12 Officers' subclass of the Elected Officers' Class of the  
13 Florida Retirement System defined benefit program shall be  
14 reduced by 0.56 percentage points.

15 (g) The contribution rate that applies to the Senior  
16 Management Service Class of the Florida Retirement System  
17 defined benefit program shall be reduced by 0.54 percentage  
18 points.

19 Section 10. (1) Effective July 1, 2001, for fiscal  
20 year 2001-2002 only, the contribution rates for the defined  
21 benefit program for the Regular Class, Special Risk Class,  
22 Special Risk Administrative Support Class, each subclass of  
23 the Elected Officers' Class, and the Senior Management Service  
24 Class each shall be reduced by 3.02 percentage points. These  
25 reductions shall be in addition to all other changes to such  
26 contribution rates which may be enacted into law after July 1,  
27 2001.

28 (2) It is the intent of the Legislature that the costs  
29 attributable to the reduction of contribution rates pursuant  
30 to subsection (1) shall be funded by recognition of a lump sum  
31 equal to the annual cost attributable to this reduction of the

1 contribution rates from the excess actuarial assets of the  
2 Florida Retirement System Trust Fund.

3 Section 11. Section 20 of chapter 2000-169, Laws of  
4 Florida, is repealed.

5 Section 12. The Legislature finds that a proper and  
6 legitimate state purpose is served when employees, officers,  
7 and retirees of the state and of its political subdivisions,  
8 and the dependents, survivors, and beneficiaries of such  
9 employees, officers, and retirees, are extended the basic  
10 protections afforded by governmental retirement systems that  
11 provide fair and adequate benefits and that are managed,  
12 administered, and funded in an actuarially sound manner, as  
13 required by s. 14 of Art. X of the State Constitution and part  
14 VII of chapter 112 of the Florida Statutes. Therefore, the  
15 Legislature hereby determines and declares that the provisions  
16 of this act fulfill an important state interest.

17 Section 13. Paragraph (f) is added to subsection (8)  
18 of section 112.363, Florida Statutes, to read:

19 112.363 Retiree health insurance subsidy.--

20 (8) CONTRIBUTIONS.--For purposes of funding the  
21 insurance subsidy provided by this section:

22 (f) Beginning July 1, 2001, the employer of each  
23 member of a state-administered plan shall contribute 1.11  
24 percent of gross compensation each pay period.

25  
26 Such contributions shall be submitted to the Department of  
27 Management Services and deposited in the Retiree Health  
28 Insurance Subsidy Trust Fund.

29 Section 14. Paragraph (c) of subsection (7) of section  
30 121.052, Florida Statutes, is amended to read:

31 121.052 Membership class of elected officers.--



1 (7) CONTRIBUTIONS.--

2 (c) The following table states the required employer  
 3 contribution on behalf of each member of the Elected Officers'  
 4 Class in terms of a percentage of the member's gross  
 5 compensation. Such contribution constitutes the entire health  
 6 insurance subsidy contribution with respect to the member. A  
 7 change in the contribution rate is effective with the first  
 8 salary paid on or after the beginning date of the change. The  
 9 retiree health insurance subsidy contribution rate is as  
 10 follows:

12 Dates of Contribution	Contribution
13 Rate Changes	Rate
15 October 1, 1987, through December 31, 1988	0.24%
16 January 1, 1989, through December 31, 1993	0.48%
17 January 1, 1994, through December 31, 1994	0.56%
18 January 1, 1995, through June 30, 1998	0.66%
19 <del>Effective</del> July 1, 1998, <u>through June 30,</u> 20 <u>2001</u>	0.94%
21 <u>Effective July 1, 2001</u>	<u>1.11%</u>

22  
 23 Such contributions shall be deposited by the administrator in  
 24 the Retiree Health Insurance Subsidy Trust Fund.

25 Section 15. Paragraph (c) of subsection (3) of section  
 26 121.055, Florida Statutes, is amended to read:

27 121.055 Senior Management Service Class.--There is  
 28 hereby established a separate class of membership within the  
 29 Florida Retirement System to be known as the "Senior  
 30 Management Service Class," which shall become effective  
 31 February 1, 1987.

1 (3)  
 2 (c) The following table states the required employer  
 3 contribution on behalf of each member of the Senior Management  
 4 Service Class in terms of a percentage of the member's gross  
 5 compensation. Such contribution constitutes the entire health  
 6 insurance subsidy contribution with respect to the member. A  
 7 change in the contribution rate is effective with the first  
 8 salary paid on or after the beginning date of the change. The  
 9 retiree health insurance subsidy contribution rate is as  
 10 follows:

Dates of Contribution	Contribution
Rate Changes	Rate
October 1, 1987, through December 31, 1988	0.24%
January 1, 1989, through December 31, 1993	0.48%
January 1, 1994, through December 31, 1994	0.56%
January 1, 1995, through June 30, 1998	0.66%
<del>Effective</del> <u>July 1, 1998, through June 30, 2001</u>	0.94%
<u>Effective July 1, 2001</u>	<u>1.11%</u>

23 Such contributions shall be deposited by the administrator in  
 24 the Retiree Health Insurance Subsidy Trust Fund.

25 Section 16. Subsection (4) of section 121.071, Florida  
 26 Statutes, is amended to read:

27 121.071 Contributions.--Contributions to the system  
 28 shall be made as follows:

29 (4) The following table states the required employer  
 30 contribution on behalf of each member of the Regular Class,  
 31 Special Risk Class, or Special Risk Administrative Support

1 Class in terms of a percentage of the member's gross  
 2 compensation. Such contribution constitutes the entire health  
 3 insurance subsidy contribution with respect to the member. A  
 4 change in the contribution rate is effective with the first  
 5 salary paid on or after the beginning date of the change. The  
 6 retiree health insurance subsidy contribution rate is as  
 7 follows:

9 Dates of Contribution	Contribution
10 Rate Changes	Rate
12 October 1, 1987, through December 31, 1988	0.24%
13 January 1, 1989, through December 31, 1993	0.48%
14 January 1, 1994, through December 31, 1994	0.56%
15 January 1, 1995, through June 30, 1998	0.66%
16 <del>Effective</del> <u>July 1, 1998, through June 30,</u>	0.94%
17 <u>2001</u>	
18 <u>Effective July 1, 2001</u>	<u>1.11%</u>

19  
 20 Such contributions shall be deposited by the administrator in  
 21 the Retiree Health Insurance Subsidy Trust Fund.

22 Section 17. Subsection (4) of section 121.571, Florida  
 23 Statutes, is amended to read:

24 121.571 Contributions.--Contributions to the Public  
 25 Employee Optional Retirement Program shall be made as follows:

26 (4) CONTRIBUTIONS FOR SOCIAL SECURITY COVERAGE AND FOR  
 27 RETIREE HEALTH INSURANCE SUBSIDY.--Contributions required  
 28 under this section shall be in addition to employer and member  
 29 contributions required for social security and the Retiree  
 30 Health Insurance Subsidy Trust Fund as provided in ss.  
 31 112.363, 121.052, 121.055, and ~~s-~~121.071, as appropriate.

1           Section 18. The Legislature finds that a proper and  
2 legitimate state purpose is served when employees, officers,  
3 and retirees of the state and of its political subdivisions,  
4 and the dependents, survivors, and beneficiaries of such  
5 employees, officers, and retirees, are extended the basic  
6 protections afforded governmental retirement systems that  
7 provide fair and adequate benefits, including health insurance  
8 subsidies, and that are managed, administered, and funded in a  
9 reasonable manner. Therefore, the Legislature hereby  
10 determines and declares that the provisions of this act  
11 fulfill an important state interest.

12           Section 19. This act shall take effect July 1, 2001.

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