

Bill No. CS for SB 2

Amendment No. Barcode 245524

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Burt moved the following amendment:

Senate Amendment (with title amendment)
Delete everything after the enacting clause

and insert:

Section 1. Subsection (1) of section 121.091, Florida Statutes, is amended to read:

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

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1 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or
2 her normal retirement date, the member, upon application to
3 the administrator, shall receive a monthly benefit which shall
4 begin to accrue on the first day of the month of retirement
5 and be payable on the last day of that month and each month
6 thereafter during his or her lifetime. The normal retirement
7 benefit, including any past or additional retirement credit,
8 may not exceed 100 percent of the average final compensation.
9 The amount of monthly benefit shall be calculated as the
10 product of A and B, subject to the adjustment of C, if
11 applicable, as set forth below:

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

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

23 a. Two percent of the member's average final
24 compensation for all creditable years prior to October 1,
25 1974;

26 b. Three percent of the member's average final
27 compensation for all creditable years after September 30,
28 1974, and before October 1, 1978;

29 c. Two percent of the member's average final
30 compensation for all creditable years after September 30,
31 1978, and before January 1, 1989;

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1 d. Two and two-tenths percent of the member's final
2 monthly compensation for all creditable years after December
3 31, 1988, and before January 1, 1990;

4 e. Two and four-tenths percent of the member's average
5 final compensation for all creditable years after December 31,
6 1989, and before January 1, 1991;

7 f. Two and six-tenths percent of the member's average
8 final compensation for all creditable years after December 31,
9 1990, and before January 1, 1992;

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

13 h. Three percent of the member's average final
14 compensation for all creditable years after December 31, 1992;
15 and

16 i. Three percent of the member's average final
17 compensation for all creditable years of service after
18 September 30, 1978, and before January 1, 1993, for any
19 special risk member who retires after July 1, 2000, or any
20 member of the Special Risk Administrative Support Class
21 entitled to retain the special risk normal retirement date who
22 was a member of the Special Risk Class during the time period
23 and who retires after July 1, 2000. Those members with
24 creditable service in these classes who have served between
25 these dates and who have retired, are participants in the
26 deferred retirement option program, or have terminated
27 employment with vested rights before July 1, 2000, shall
28 receive a 12 percent increase in their benefits effective
29 January 1, 2001.

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

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1 4. For creditable years of Elected Officers' Class
 2 service as a Supreme Court Justice, district court of appeal
 3 judge, circuit judge, or county court judge, A is $3 \frac{1}{3}$
 4 percent of the member's average final compensation, and for
 5 all other creditable service in such class, A is 3 percent of
 6 average final compensation;

7 (b) B is the number of the member's years and any
 8 fractional part of a year of creditable service earned
 9 subsequent to November 30, 1970; and

10 (c) C is the normal retirement benefit credit brought
 11 forward as of November 30, 1970, by a former member of an
 12 existing system. Such normal retirement benefit credit shall
 13 be determined as the product of X and Y when X is the
 14 percentage of average final compensation which the member
 15 would have been eligible to receive if the member had attained
 16 his or her normal retirement date as of November 30, 1970, all
 17 in accordance with the existing system under which the member
 18 is covered on November 30, 1970, and Y is average final
 19 compensation as defined in s. 121.021(25). However, any
 20 member of an existing retirement system who is eligible to
 21 retire and who does retire, become disabled, or die prior to
 22 April 15, 1971, may have his or her retirement benefits
 23 calculated on the basis of the best 5 of the last 10 years of
 24 service.

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

28 Section 2. It is the intent of the Legislature that
 29 the costs attributable to increases in the repurchase of
 30 retirement accrual rates for retired and inactive members of
 31 the Special Risk Class from October 1978 through December 1992

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1 shall be funded by recognition of a level lump sum of \$370.6
2 million, amortized over 30 years in equal annual payments,
3 from the excess actuarial assets of the Florida Retirement
4 System Trust Fund. Such benefits shall increase with prior
5 cost-of-living adjustments beginning on the date of benefit
6 commencement, as provided in this act, excluding any missed or
7 retroactive payments. If, after recognition of the excess
8 actuarial assets, there remains an unfunded actuarial
9 liability attributable to the increase in the retirement
10 accrual rates, the payroll contribution rate for the Special
11 Risk Class shall be increased by up to 0.10 percentage points,
12 effective July 1, 2002, unless the Legislature provides an
13 alternative funding mechanism.

14 Section 3. The Legislature finds that a proper and
15 legitimate state purpose is served when employees and retirees
16 of the state and its political subdivisions and the
17 dependents, survivors, and beneficiaries of such employees and
18 retirees are extended the basic protections afforded by
19 governmental retirement systems that provide fair and adequate
20 benefits and that are managed, administered, and funded in an
21 actuarially sound manner, as required by Section 14, Article
22 X, of the State Constitution and part VII of chapter 112,
23 Florida Statutes. Therefore, the Legislature determines and
24 declares that this act fulfills an important state interest.

25 Section 4. This act shall take effect July 1, 2001.
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28 ===== T I T L E A M E N D M E N T =====

29 And the title is amended as follows:

30 Delete everything before the enacting clause
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1 and insert:

2 A bill to be entitled
3 An act relating to retirement; amending s.
4 121.091, F.S.; providing for a repurchase of
5 prior service credit for certain members of the
6 Special Risk Class or Special Risk
7 Administrative Support Class of the Florida
8 Retirement System who retired or terminated
9 employment before July 1, 2000; providing for
10 actuarial funding of benefits; providing a
11 declaration of an important state interest;
12 providing an effective date.

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