

1 A bill to be entitled
2 An act relating to retirement; amending s.
3 121.091, F.S.; providing for a repurchase of
4 prior service credit for certain members of the
5 Special Risk Class or Special Risk
6 Administrative Support Class of the Florida
7 Retirement System who retired or terminated
8 employment before July 1, 2000; providing for
9 actuarial funding of benefits; providing a
10 declaration of an important state interest;
11 providing for a one-time cost-of-living
12 increase for certain retired members of the
13 Florida Retirement System who have service
14 credit earned between September 30, 1978, and
15 January 1, 1993, in the Special Risk Class of
16 the Florida Retirement System; providing an
17 effective date.

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

20
21 Section 1. Subsection (1) of section 121.091, Florida
22 Statutes, is amended to read:

23 121.091 Benefits payable under the system.--Benefits
24 may not be paid under this section unless the member has
25 terminated employment as provided in s. 121.021(39)(a) or
26 begun participation in the Deferred Retirement Option Program
27 as provided in subsection (13), and a proper application has
28 been filed in the manner prescribed by the department. The
29 department may cancel an application for retirement benefits
30 when the member or beneficiary fails to timely provide the
31 information and documents required by this chapter and the

1 department's rules. The department shall adopt rules
2 establishing procedures for application for retirement
3 benefits and for the cancellation of such application when the
4 required information or documents are not received.

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

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

26 2. For creditable years of special risk service, A is:
27 a. Two percent of the member's average final
28 compensation for all creditable years prior to October 1,
29 1974;

30
31

1 b. Three percent of the member's average final
2 compensation for all creditable years after September 30,
3 1974, and before October 1, 1978;

4 c. Two percent of the member's average final
5 compensation for all creditable years after September 30,
6 1978, and before January 1, 1989;

7 d. Two and two-tenths percent of the member's final
8 monthly compensation for all creditable years after December
9 31, 1988, and before January 1, 1990;

10 e. Two and four-tenths percent of the member's average
11 final compensation for all creditable years after December 31,
12 1989, and before January 1, 1991;

13 f. Two and six-tenths percent of the member's average
14 final compensation for all creditable years after December 31,
15 1990, and before January 1, 1992;

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

19 h. Three percent of the member's average final
20 compensation for all creditable years after December 31, 1992;
21 and

22 i. Three percent of the member's average final
23 compensation for all creditable years of service after
24 September 30, 1978, and before January 1, 1993, for any
25 special risk member who retires after July 1, 2000, or any
26 member of the Special Risk Administrative Support Class
27 entitled to retain the special risk normal retirement date who
28 was a member of the Special Risk Class during the time period
29 and who retires after July 1, 2000. Those members with
30 creditable service in these classes who have served between
31 these dates and who have retired, are participants in the

1 deferred retirement option program, or have terminated
2 employment with vested rights before July 1, 2000, shall
3 receive a 12 percent increase in their benefits effective
4 January 1, 2002.

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

7 4. For creditable years of Elected Officers' Class
8 service as a Supreme Court Justice, district court of appeal
9 judge, circuit judge, or county court judge, A is 3 1/3
10 percent of the member's average final compensation, and for
11 all other creditable service in such class, A is 3 percent of
12 average final compensation;

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

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

31

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

4 Section 2. For those members with creditable service
5 in the Florida Retirement System Special Risk Class who have
6 retirement service credit in the Special Risk Class after
7 September 30, 1978, and before January 1, 1993, and who
8 retired or entered the Deferred Retirement Option Program of
9 the Florida Retirement System prior to July 1, 2000, such
10 members, or their beneficiaries if the member is deceased,
11 shall receive a one-time special cost-of-living increase on
12 January 1, 2002, equal to 12 percent of their gross retirement
13 benefit. Such increase shall be in addition to the normal
14 cost-of-living increase provided to such members on July 1,
15 2001.

16 Section 3. It is the intent of the Legislature that
17 the costs attributable to the additional cost-of-living
18 increase for special risk retirees and Deferred Retirement
19 Option Program participants as provided under section 2 shall
20 be funded by recognition of excess actuarial assets, amortized
21 over 30 years with the payments assumed to remain relatively
22 stable when expressed as a percentage of payroll. For fiscal
23 year 2001-2002, the payment shall be \$9.3 million. For fiscal
24 year 2002-2003, the payment shall be \$19 million, and,
25 thereafter, payments shall increase by 5 percent per year. If
26 insufficient funds are available to fund this additional cost
27 through recognition of excess actuarial assets in fiscal year
28 2002-2003 and any year thereafter, and there remains an
29 unfunded actuarial liability attributable to the one-time
30 cost-of-living increase provided under section 2, the payroll
31 contribution rate for the Special Risk Class of the Florida

1 Retirement System shall be increased by .93 percent effective
2 July 1 of that year, unless the Legislature provides an
3 alternative funding mechanism before that date.

4 Section 4. The Legislature finds that a proper and
5 legitimate state purpose is served when employees and retirees
6 of the state and its political subdivisions and the
7 dependents, survivors, and beneficiaries of such employees and
8 retirees are extended the basic protections afforded by
9 governmental retirement systems that provide fair and adequate
10 benefits and that are managed, administered, and funded in an
11 actuarially sound manner, as required by Section 14, Article
12 X, of the State Constitution and part VII of chapter 112,
13 Florida Statutes. Therefore, the Legislature determines and
14 declares that this act fulfills an important state interest.

15 Section 5. This act shall take effect July 1, 2001.
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31