

1 A bill to be entitled
2 An act relating to retirement; providing a
3 declaration of an important state interest;
4 providing for a one-time cost-of-living
5 increase for certain retired members of the
6 Florida Retirement System who have service
7 credit earned between September 30, 1978, and
8 January 1, 1993, in the Special Risk Class of
9 the Florida Retirement System; providing an
10 effective date.

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

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14 Section 1. For those members with creditable service
15 in the Florida Retirement System Special Risk Class who have
16 retirement service credit in the Special Risk Class after
17 September 30, 1978, and before January 1, 1993, and who
18 retired or entered the Deferred Retirement Option Program of
19 the Florida Retirement System prior to July 1, 2000, such
20 members, or their beneficiaries if the member is deceased,
21 shall receive a one-time special cost-of-living increase on
22 January 1, 2002, equal to 12 percent of their gross retirement
23 benefit. Such increase shall be in addition to the normal
24 cost-of-living increase provided to such members on July 1,
25 2001.

26 Section 2. It is the intent of the Legislature that
27 the costs attributable to the additional cost-of-living
28 increase for special risk retirees and Deferred Retirement
29 Option Program participants as provided under section 2 shall
30 be funded by recognition of excess actuarial assets, amortized
31 over 30 years with the payments assumed to remain relatively

1 stable when expressed as a percentage of payroll. For fiscal
2 year 2001-2002, the payment shall be \$9.3 million. For fiscal
3 year 2002-2003, the payment shall be \$19 million, and,
4 thereafter, payments shall increase by 5 percent per year. If
5 insufficient funds are available to fund this additional cost
6 through recognition of excess actuarial assets in fiscal year
7 2002-2003 and any year thereafter, and there remains an
8 unfunded actuarial liability attributable to the one-time
9 cost-of-living increase provided under section 2, the payroll
10 contribution rate for the Special Risk Class of the Florida
11 Retirement System shall be increased by .93 percent effective
12 July 1 of that year, unless the Legislature provides an
13 alternative funding mechanism before that date.

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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