

By Senator Burt

16-158A-01

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 an effective date.

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

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

17 121.091 Benefits payable under the system.--Benefits
18 may not be paid under this section unless the member has
19 terminated employment as provided in s. 121.021(39)(a) or
20 begun participation in the Deferred Retirement Option Program
21 as provided in subsection (13), and a proper application has
22 been filed in the manner prescribed by the department. The
23 department may cancel an application for retirement benefits
24 when the member or beneficiary fails to timely provide the
25 information and documents required by this chapter and the
26 department's rules. The department shall adopt rules
27 establishing procedures for application for retirement
28 benefits and for the cancellation of such application when the
29 required information or documents are not received.

30 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or
31 her normal retirement date, the member, upon application to

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

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

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

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

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

27 c. Two percent of the member's average final
28 compensation for all creditable years after September 30,
29 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. The provisions of this
24 sub-subparagraph shall extend also to those members with
25 creditable service in these classes who have served between
26 these dates and who have retired, are participants in the
27 deferred retirement option program, or have terminated
28 employment with vested rights before July 1, 2000.

29 3. For creditable years of Senior Management Service
30 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 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

1 shall be funded by recognition of a level lump sum of \$740
2 million, amortized over 5 years in equal annual payments, from
3 the excess actuarial assets of the Florida Retirement System
4 Trust Fund. If, after recognition of the excess actuarial
5 assets, there remains an unfunded actuarial liability
6 attributable to the increase in the retirement accrual rates,
7 the payroll contribution rate for the Special Risk Class shall
8 be increased by ___ percentage points, effective July 1, 2001,
9 unless the Legislature provides an alternative funding
10 mechanism.

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

22 Section 4. This act shall take effect July 1, 2001.

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25 SENATE SUMMARY

26 Provides for retirement credit for service in the Special
27 Risk Class or Special Risk Administrative Support Class
28 of the Florida Retirement System for persons who served
29 in such a class between October 1978 and December 1992.
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