

By Senator Miller

21-301-01

1 A bill to be entitled
2 An act relating to retirement; amending s.
3 121.091, F.S.; revising the method of
4 calculating the monthly benefit for members of
5 the Regular Class of the Florida Retirement
6 System; providing for contribution rate
7 increases to fund this act; requesting the
8 Division of Statutory Revision to adjust
9 contribution rates set forth in s. 121.071,
10 F.S.; declaring that this act fulfills an
11 important state interest; providing an
12 effective date.

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

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

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

31

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 1.68 ~~1.60~~ percent of the member's average final
14 compensation, ~~up to the member's normal retirement date. Upon~~
15 ~~completion of the first year after the normal retirement date,~~
16 ~~A is 1.63 percent of the member's average final compensation.~~
17 ~~Following the second year after the normal retirement date, A~~
18 ~~is 1.65 percent of the member's average final compensation.~~
19 ~~Following the third year after the normal retirement date, and~~
20 ~~for subsequent years, A is 1.68 percent of the member's~~
21 ~~average 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;

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.

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

26 4. For creditable years of Elected Officers' Class
27 service as a Supreme Court Justice, district court of appeal
28 judge, circuit judge, or county court judge, A is 3 1/3
29 percent of the member's average final compensation, and for
30 all other creditable service in such class, A is 3 percent of
31 average final compensation;

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

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

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

22 Section 2. Effective July 1, 2001, in order to fund
23 the benefits provided under section 1 of this act, the
24 contribution rate that applies to the Regular Class of the
25 Florida Retirement System shall be increased by _____
26 percentage points. This increase is in addition to all other
27 changes to such contribution rate which may be enacted into
28 law to take effect on that date. The Division of Statutory
29 Revision is requested to adjust accordingly the contribution
30 rates set forth in section 121.071, Florida Statutes.

31

1 Section 3. The Legislature finds that a proper and
2 legitimate state purpose is served when employees and retirees
3 of the state and of its political subdivisions, and the
4 dependents, survivors, and beneficiaries of such employees and
5 retirees, are extended the basic protections afforded by
6 governmental retirement systems that provide fair and adequate
7 benefits that are managed, administered, and funded in an
8 actuarially sound manner, as required by Section 14, Article X
9 of the State Constitution and part VII of chapter 112, Florida
10 Statutes. Therefore, the Legislature determines and declares
11 that this act fulfills an important state interest.

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

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

SENATE SUMMARY

Increases the retirement benefit for members of the Regular Class of the Florida Retirement System by providing for 1.68 percent of average final compensation to be paid for each year of creditable service.