

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
1		.	
2		.	
3		.	
4		.	

ORIGINAL STAMP BELOW

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

The Committee on State Administration offered the following:

Amendment (with title amendment)

Remove from the bill: Everything after the enacting clause
and insert in lieu thereof:

Section 1. Subsection (62) is added to section 121.021, Florida Statutes, to read:

121.021 Definitions.--The following words and phrases as used in this chapter have the respective meanings set forth unless a different meaning is plainly required by the context:

(62) "Public school member" means a member of the Florida Retirement System Regular Class who is employed by a district school system, a public charter school, or the Florida School for the Deaf and the Blind.

Section 2. Subsection (1) of section 121.071, Florida Statutes, is amended to read:

121.071 Contributions.--Contributions to the system shall be made as follows:

(1) The following tables state the required retirement contribution rates for members of the Regular Class, Special

Amendment No. ____ (for drafter's use only)

1 Risk Class, or Special Risk Administrative Support Class and
 2 their employers in terms of a percentage of the member's gross
 3 compensation. A change in a contribution rate is effective
 4 with the first salary paid on or after the beginning date of
 5 the change. Contributions shall be made or deducted as may be
 6 appropriate for each pay period and are in addition to the
 7 contributions required for social security and the Retiree
 8 Health Insurance Subsidy Trust Fund.

9 (a) Retirement contributions for regular members are
 10 as follows:

12 Dates of Contribution	13 Members	13 Employers
13 Rate Changes 14 15 December 1, 1970, through December 16 31, 1974, for state agencies, state 17 universities, community colleges, 18 and district school boards	18 4%	18 4%
20 December 1, 1970, through September 21 30, 1975, for all other local 22 government agencies	22 4%	22 4%
24 January 1, 1975, through September 25 30, 1978, for state agencies and 26 state universities	26 0%	26 9%
28 January 1, 1975, through July 31, 29 1978, for community colleges and 30 district school boards	30 0%	30 9%

Amendment No. ____ (for drafter's use only)

1			
2	October 1, 1975, through September		
3	30, 1978, for all other local		
4	government agencies	0%	9%
5			
6	August 1, 1978, through September 30,		
7	1981, for community colleges and		
8	district school boards	0%	9.1%
9			
10	October 1, 1978, through September		
11	30, 1981, for all other agencies	0%	9.1%
12			
13	October 1, 1981, through		
14	September 30, 1984	0%	10.93%
15	October 1, 1984, through		
16	September 30, 1986	0%	12.24%
17	October 1, 1986, through		
18	December 31, 1988	0%	13.14%
19	January 1, 1989, through		
20	December 31, 1989	0%	13.90%
21	January 1, 1990, through		
22	December 31, 1990	0%	14.66%
23	January 1, 1991, through		
24	December 31, 1991	0%	15.72%
25	January 1, 1992, through		
26	December 31, 1992	0%	16.51%
27	January 1, 1993, through		
28	December 31, 1993	0%	17.27%
29	January 1, 1994, through		
30	December 31, 1994	0%	17.10%
31	January 1, 1995, through		

Amendment No. ____ (for drafter's use only)

1	December 31, 1995	0%	16.91%
2	January 1, 1996, through		
3	June 30, 1996	0%	17.00%
4	July 1, 1996, through		
5	June 30, 1998	0%	16.77%
6	July 1, 1998, through		
7	June 30, 1999	0%	15.51%
8	Effective July 1, 1999	0%	9.21%
9	<u>Effective July 1, 2002, for public</u>		
10	<u>school members</u>	<u>0%</u>	

11
 12 (b) Retirement contributions for special risk members
 13 are as follows:

15	Dates of Contribution		Members	Employers
16	Rate Changes			
17				
18	December 1, 1970, through			
19	September 30, 1974		6%	6%
20				
21	October 1, 1974, through December 31,			
22	1974, for state agencies, state			
23	universities, community colleges,			
24	and district school boards		8%	8%
25				
26	October 1, 1974, through September			
27	30, 1975, for all other local			
28	government agencies		8%	8%
29				
30	January 1, 1975, through September			
31	30, 1978, for state agencies, state			

Amendment No. ____ (for drafter's use only)

1	universities, community colleges,		
2	and district school boards	0%	13%
3			
4	October 1, 1975, through September		
5	30, 1978, for other local		
6	government agencies	0%	13%
7			
8	October 1, 1978, through		
9	September 30, 1981	0%	13.95%
10	October 1, 1981, through		
11	September 30, 1984	0%	13.91%
12	October 1, 1984, through		
13	September 30, 1986	0%	14.67%
14	October 1, 1986, through		
15	December 31, 1988	0%	15.11%
16	January 1, 1989, through		
17	December 31, 1989	0%	17.50%
18	January 1, 1990, through		
19	December 31, 1990	0%	19.90%
20	January 1, 1991, through		
21	December 31, 1991	0%	25.52%
22	January 1, 1992, through		
23	December 31, 1992	0%	26.35%
24	January 1, 1993, through		
25	December 31, 1993	0%	27.14%
26	January 1, 1994, through		
27	December 31, 1994	0%	27.03%
28	January 1, 1995, through		
29	December 31, 1995	0%	26.83%
30	January 1, 1996, through		
31	June 30, 1996	0%	26.84%

Amendment No. ____ (for drafter's use only)

1	July 1, 1996, through		
2	June 30, 1998	0%	26.44%
3	July 1, 1998, through		
4	June 30, 1999	0%	24.38%
5	July 1, 1999, through		
6	June 30, 2000	0%	20.22%
7	Effective July 1, 2000	0%	20.35%
8			
9	(c) Retirement contributions for special risk		
10	administrative support members are as follows:		
11			
12	Dates of Contribution		
13	Rate Changes	Members	Employers
14			
15	July 1, 1982, through		
16	September 30, 1984	0%	11.14%
17	October 1, 1984, through		
18	September 30, 1986	0%	13.09%
19	October 1, 1986, through		
20	December 31, 1988	0%	15.44%
21	January 1, 1989, through		
22	December 31, 1989	0%	14.76%
23	January 1, 1990, through		
24	December 31, 1990	0%	14.09%
25	January 1, 1991, through		
26	December 31, 1991	0%	20.16%
27	January 1, 1992, through		
28	December 31, 1992	0%	19.51%
29	January 1, 1993, through		
30	December 31, 1993	0%	18.83%
31	January 1, 1994, through		

Amendment No. ____ (for drafter's use only)

1	December 31, 1994	0%	18.59%
2	January 1, 1995, through		
3	December 31, 1995	0%	17.81%
4	January 1, 1996, through		
5	June 30, 1996	0%	17.80%
6	July 1, 1996, through		
7	June 30, 1998	0%	17.20%
8	July 1, 1998, through		
9	June 30, 1999	0%	14.64%
10	July 1, 1999, through		
11	June 30, 2000	0%	11.53%
12	Effective July 1, 2000	0%	11.74%

13

14 Section 3. Subsection (1) of section 121.091, Florida
15 Statutes, is amended to read:

16 121.091 Benefits payable under the system.--Benefits
17 may not be paid under this section unless the member has
18 terminated employment as provided in s. 121.021(39)(a) or
19 begun participation in the Deferred Retirement Option Program
20 as provided in subsection (13), and a proper application has
21 been filed in the manner prescribed by the department. The
22 department may cancel an application for retirement benefits
23 when the member or beneficiary fails to timely provide the
24 information and documents required by this chapter and the
25 department's rules. The department shall adopt rules
26 establishing procedures for application for retirement
27 benefits and for the cancellation of such application when the
28 required information or documents are not received.

29 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or
30 her normal retirement date, the member, upon application to
31 the administrator, shall receive a monthly benefit which shall

Amendment No. ____ (for drafter's use only)

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

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

19 b. For creditable years of Regular Class service,
 20 public school members shall have A determined under the
 21 provisions of sub-subparagraph 1.a. for service up to the
 22 "applicability date," and according to the following table for
 23 service earned after the "applicability date":

<u>Years of Regular</u>	<u>Benefit Accrual Rate</u>
<u>Class Service</u>	
<u>0-6</u>	<u>1.60%</u>
<u>7-12</u>	<u>1.75%</u>
<u>13-18</u>	<u>1.90%</u>
<u>Over 18</u>	<u>2.10%</u>

31

Amendment No. ____ (for drafter's use only)

1 Applicability date means July 1, 2002, adjusted as
2 follows: for each year of creditable service as a public
3 school member earned after the applicability date, 2 years
4 will be subtracted from the applicability date up to a maximum
5 adjustment of 18 years.

- 6 2. For creditable years of special risk service, A is:
- 7 a. Two percent of the member's average final
8 compensation for all creditable years prior to October 1,
9 1974;
- 10 b. Three percent of the member's average final
11 compensation for all creditable years after September 30,
12 1974, and before October 1, 1978;
- 13 c. Two percent of the member's average final
14 compensation for all creditable years after September 30,
15 1978, and before January 1, 1989;
- 16 d. Two and two-tenths percent of the member's final
17 monthly compensation for all creditable years after December
18 31, 1988, and before January 1, 1990;
- 19 e. Two and four-tenths percent of the member's average
20 final compensation for all creditable years after December 31,
21 1989, and before January 1, 1991;
- 22 f. Two and six-tenths percent of the member's average
23 final compensation for all creditable years after December 31,
24 1990, and before January 1, 1992;
- 25 g. Two and eight-tenths percent of the member's
26 average final compensation for all creditable years after
27 December 31, 1991, and before January 1, 1993;
- 28 h. Three percent of the member's average final
29 compensation for all creditable years after December 31, 1992;
30 and
- 31 i. Three percent of the member's average final

Amendment No. ____ (for drafter's use only)

1 compensation for all creditable years of service after
2 September 30, 1978, and before January 1, 1993, for any
3 special risk member who retires after July 1, 2000, or any
4 member of the Special Risk Administrative Support Class
5 entitled to retain the special risk normal retirement date who
6 was a member of the Special Risk Class during the time period
7 and who retires after July 1, 2000.

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

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

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

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

Amendment No. ____ (for drafter's use only)

1 calculated on the basis of the best 5 of the last 10 years of
2 service.

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

6 Section 4. It is the intent of the Legislature that
7 costs attributable to benefit increases for regular class
8 public school members shall be funded by recognition of lump
9 sums from the excess actuarial assets of the Florida
10 Retirement System Trust Fund as follows:

11 (1) For fiscal year 2002-2003, the lump sum to be
12 recognized shall be the lessor of:

13 (a) The amount available under the rate stabilization
14 mechanism described in s. 121.031, Florida Statutes, and

15 (b) The amount needed to pay the annual cost
16 attributable to the increased benefit accrual rate for public
17 school members. The annual cost shall consist of the increase
18 in normal cost for public school members plus payment of the
19 30-year amortization amount of the increase in the actuarial
20 accrued liability attributable to the increase, but not
21 greater than \$212 million, and

22 (c) If, after the recognition of excess actuarial
23 assets pursuant to this subsection, there remains an unfunded
24 cost, the contribution rate applicable to public school
25 members shall be increased by the difference between the
26 annual cost and the amount provided by the excess actuarial
27 assets, unless the legislature provides an alternate funding
28 mechanism.

29 (2) For fiscal years starting 2003-2004 and thereafter,
30 the Legislature shall, as provided in subsection (2) above,
31 continue to fund on an ongoing basis the annual cost

Amendment No. ____ (for drafter's use only)

1 attributable to the formula improvements through recognition
2 of lump sum payments from the excess actuarial assets of the
3 Florida Retirement System Trust Fund.

4 Section 5. The Legislature finds that a proper and
5 legitimate state purpose is served when employees and retirees
6 of the state and of 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 that are managed, administered, and funded in an
11 actuarially sound manner, as required by Section 14, Article X
12 of the State Constitution and part VII of chapter 112, Florida
13 Statutes. Therefore, the Legislature determines and declares
14 that this act fulfills an important state interest.

15 Section 6. This act shall take effect July 1, 2002.

16
17

18 ===== T I T L E A M E N D M E N T =====

19 And the title is amended as follows:

20 On page 1, lines 1 through 13,
21 remove from the title of the bill: all of said lines

22

23 and insert in lieu thereof:

24 An act relating to the Florida Retirement
25 System; amending s. 121.021, F.S.; defining the
26 term "public school member" for purposes of the
27 system; amending s. 121.071, F.S.; providing
28 contribution rates for public school members;
29 amending s. 121.091, F.S.; providing retirement
30 benefits payable to public school members;
31 providing retroactive applicability; providing

Amendment No. ____ (for drafter's use only)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

for funding of the revision of the Florida Retirement System by this act; providing a finding of important state interest; providing an effective date.