

By Representative Fiorentino

1                                   A bill to be entitled  
 2           An act relating to the Florida Retirement  
 3           System; amending s. 121.021, F.S.; defining the  
 4           term "teacher member" for purposes of the  
 5           system; amending s. 121.071, F.S.; providing  
 6           contribution rates for teacher members;  
 7           amending s. 121.091, F.S.; providing retirement  
 8           benefits payable to teacher members; providing  
 9           retroactive applicability; providing for  
 10          funding of the revision of the Florida  
 11          Retirement System by this act; providing a  
 12          finding of important state interest; providing  
 13          an effective date.

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

16  
 17           Section 1. Subsection (62) is added to section  
 18 121.021, Florida Statutes, to read:

19           121.021 Definitions.--The following words and phrases  
 20 as used in this chapter have the respective meanings set forth  
 21 unless a different meaning is plainly required by the context:

22           (62) "Teacher member" means a member of the Florida  
 23 Retirement System who meets the definition of "teacher" in s.  
 24 238.01(3).

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

27           121.071 Contributions.--Contributions to the system  
 28 shall be made as follows:

29           (1) The following tables state the required retirement  
 30 contribution rates for members of the Regular Class, Special  
 31 Risk Class, or Special Risk Administrative Support Class and

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

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

10  
11 Dates of Contribution

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

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		

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			
10	(b) Retirement contributions for special risk members		
11	are as follows:		
12			
13	Dates of Contribution		
14	Rate Changes	Members	Employers
15			
16	December 1, 1970, through		
17	September 30, 1974	6%	6%
18			
19	October 1, 1974, through December 31,		
20	1974, for state agencies, state		
21	universities, community colleges,		
22	and district school boards	8%	8%
23			
24	October 1, 1974, through September		
25	30, 1975, for all other local		
26	government agencies	8%	8%
27			
28	January 1, 1975, through September		
29	30, 1978, for state agencies, state		
30	universities, community colleges,		
31	and district school boards	0%	13%

1			
2	October 1, 1975, through September		
3	30, 1978, for other local		
4	government agencies	0%	13%
5			
6	October 1, 1978, through		
7	September 30, 1981	0%	13.95%
8	October 1, 1981, through		
9	September 30, 1984	0%	13.91%
10	October 1, 1984, through		
11	September 30, 1986	0%	14.67%
12	October 1, 1986, through		
13	December 31, 1988	0%	15.11%
14	January 1, 1989, through		
15	December 31, 1989	0%	17.50%
16	January 1, 1990, through		
17	December 31, 1990	0%	19.90%
18	January 1, 1991, through		
19	December 31, 1991	0%	25.52%
20	January 1, 1992, through		
21	December 31, 1992	0%	26.35%
22	January 1, 1993, through		
23	December 31, 1993	0%	27.14%
24	January 1, 1994, through		
25	December 31, 1994	0%	27.03%
26	January 1, 1995, through		
27	December 31, 1995	0%	26.83%
28	January 1, 1996, through		
29	June 30, 1996	0%	26.84%
30	July 1, 1996, through		
31	June 30, 1998	0%	26.44%

1	July 1, 1998, through		
2	June 30, 1999	0%	24.38%
3	July 1, 1999, through		
4	June 30, 2000	0%	20.22%
5	Effective July 1, 2000	0%	20.35%
6			
7	(c) Retirement contributions for special risk		
8	administrative support members are as follows:		
9			
10	Dates of Contribution		
11	Rate Changes	Members	Employers
12			
13	July 1, 1982, through		
14	September 30, 1984	0%	11.14%
15	October 1, 1984, through		
16	September 30, 1986	0%	13.09%
17	October 1, 1986, through		
18	December 31, 1988	0%	15.44%
19	January 1, 1989, through		
20	December 31, 1989	0%	14.76%
21	January 1, 1990, through		
22	December 31, 1990	0%	14.09%
23	January 1, 1991, through		
24	December 31, 1991	0%	20.16%
25	January 1, 1992, through		
26	December 31, 1992	0%	19.51%
27	January 1, 1993, through		
28	December 31, 1993	0%	18.83%
29	January 1, 1994, through		
30	December 31, 1994	0%	18.59%
31	January 1, 1995, through		

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

11

12 (d) Retirement contributions for teacher members are  
13 as follows:

14

15 Dates of Contribution

16 Rate Changes Members Employers

17

18 Effective July 1, 2002 0%

19

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

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

1 establishing procedures for application for retirement  
2 benefits and for the cancellation of such application when the  
3 required information or documents are not received.

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

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

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

29 b. Three percent of the member's average final  
30 compensation for all creditable years after September 30,  
31 1974, and before October 1, 1978;



- 1           c. Two percent of the member's average final  
2 compensation for all creditable years after September 30,  
3 1978, and before January 1, 1989;
- 4           d. Two and two-tenths percent of the member's final  
5 monthly compensation for all creditable years after December  
6 31, 1988, and before January 1, 1990;
- 7           e. Two and four-tenths percent of the member's average  
8 final compensation for all creditable years after December 31,  
9 1989, and before January 1, 1991;
- 10          f. Two and six-tenths percent of the member's average  
11 final compensation for all creditable years after December 31,  
12 1990, and before January 1, 1992;
- 13          g. Two and eight-tenths percent of the member's  
14 average final compensation for all creditable years after  
15 December 31, 1991, and before January 1, 1993;
- 16          h. Three percent of the member's average final  
17 compensation for all creditable years after December 31, 1992;  
18 and
- 19          i. Three percent of the member's average final  
20 compensation for all creditable years of service after  
21 September 30, 1978, and before January 1, 1993, for any  
22 special risk member who retires after July 1, 2000, or any  
23 member of the Special Risk Administrative Support Class  
24 entitled to retain the special risk normal retirement date who  
25 was a member of the Special Risk Class during the time period  
26 and who retires after July 1, 2000.
- 27          3. For creditable years of Senior Management Service  
28 Class service after January 31, 1987, A is 2 percent;
- 29          4. For creditable years of Elected Officers' Class  
30 service as a Supreme Court Justice, district court of appeal  
31 judge, circuit judge, or county court judge, A is 3 1/3

1 percent of the member's average final compensation, and for  
2 all other creditable service in such class, A is 3 percent of  
3 average final compensation;

4 5. For creditable years of service as a teacher member  
5 of the Regular Class, A is 2.25 percent of the member's  
6 average final compensation. The provisions of this  
7 subparagraph shall extend also to those active members with  
8 creditable service that would have qualified them as teacher  
9 members, which service was on or after January 1, 1997, and  
10 before January 1, 2002;

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

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

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

1           Section 4. It is the intent of the Legislature that  
2 costs attributable to increases in retirement accrual rates  
3 for January 1, 1997, through December 31, 2001, for teacher  
4 members shall be funded by recognition of a lump sum from the  
5 excess actuarial assets of the Florida Retirement System Trust  
6 Fund in the amount of \_\_\_\_\_.

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

18           Section 6. This act shall take effect January 1, 2002.

19  
20 \*\*\*\*\*

21                                   LEGISLATIVE SUMMARY

22           Defines the term "teacher member" of the Florida  
23           Retirement System and provides for payment of retirement  
24           benefits to such members based on 2.25 percent of average  
25           final compensation for each year of creditable service.  
26           Makes this benefit retroactively applicable for the  
27           previous 4 years for currently active members who  
28           qualify. Provides for funding the increase through the  
29           excess actuarial assets of the Florida Retirement System  
30           Trust Fund.  
31