

By the Fiscal Responsibility Council and Representatives Meador, Justice, Needelman, Kosmas, Crow, McGriff, Brown, Paul and Spratt

1 A bill to be entitled
 2 An act relating to the Florida Retirement
 3 System; amending s. 121.021, F.S.; redefining
 4 the terms "compensation" and "bonus" for
 5 purposes of the system; providing an effective
 6 date.

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

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 10 Section 1. Paragraph (a) of subsection (22) and
 11 paragraph (b) of subsection (47) of section 121.021, Florida
 12 Statutes, are amended to read:

13 121.021 Definitions.--The following words and phrases
 14 as used in this chapter have the respective meanings set forth
 15 unless a different meaning is plainly required by the context:

16 (22) "Compensation" means the monthly salary paid a
 17 member by his or her employer for work performed arising from
 18 that employment.

19 (a) Compensation shall include:

- 20 1. Overtime payments paid from a salary fund.
- 21 2. Accumulated annual leave payments.
- 22 3. Payments in addition to the employee's base rate of
- 23 pay if all the following apply:
- 24 a. The payments are paid according to a formal written
- 25 policy that applies to all eligible employees equally;
- 26 b. The policy provides that payments shall commence no
- 27 later than the 11th year of employment;
- 28 c. The payments are paid for as long as the employee
- 29 continues his or her employment; and
- 30 d. The payments are paid at least annually.

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1 4. Amounts withheld for tax sheltered annuities or
2 deferred compensation programs, or any other type of salary
3 reduction plan authorized under the Internal Revenue Code.

4 5. Payments made in lieu of a permanent increase in
5 the base rate of pay, whether made annually or in 12 or 26
6 equal payments within a 12-month period, when the member's
7 base pay is at the maximum of his or her pay range. When a
8 portion of a member's annual increase raises his or her pay
9 range and the excess is paid as a lump sum payment, such lump
10 sum payment shall be compensation for retirement purposes.

11 6. Salary supplements made pursuant to ss. 231.700 and
12 236.08106 requiring a valid National Board for Professional
13 Standards certificate or equivalent status as provided in s.
14 231.700(3)(e)5., notwithstanding the provisions of
15 subparagraph 3.

16 (47) "Bonus" means a payment made in addition to an
17 employee's regular or overtime salary. A bonus is usually
18 nonrecurring, does not increase the employee's base rate of
19 pay, and includes no commitment for payment in a subsequent
20 year. Such payments are not considered compensation. Effective
21 July 1, 1989, employers may not report such payments to the
22 division as salary, and may not make retirement contributions
23 on such payments.

24 (b) Bonuses shall include, but not be limited to, the
25 following:

- 26 1. Exit bonus or severance pay.
- 27 2. Longevity payments in conformance with the
28 provisions of paragraph (a).
- 29 3. Salary increases granted pursuant to an employee's
30 agreement to retire, including increases paid over several
31 months or years prior to retirement.

1 4. Payments for accumulated overtime or compensatory
2 time, reserve time, or holiday time worked, if not made within
3 11 months of the month in which the work was performed.

4 ~~5. Quality Instruction Incentives Program (QUIIP)~~
5 ~~Payments.~~

6 5.6. Lump sum payments in recognition of employees'
7 accomplishments.

8 Section 2. This act shall take effect July 1, 2002.

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