

Bill No. CS for SB 2230

Amendment No. 3 Barcode 104240

CHAMBER ACTION

Senate

House

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The Conference Committee on CS for SB 2230 recommended the following amendment:

**Conference Committee Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

Section 1. Section 121.71, Florida Statutes, is amended to read:

121.71 Uniform rates; process; calculations; levy.--

(1) In conducting the system actuarial study required under s. 121.031, the actuary shall follow all requirements specified thereunder to determine, by Florida Retirement System employee membership class, the dollar contribution amounts necessary for the forthcoming fiscal year for the defined benefit program. In addition, the actuary shall determine, by Florida Retirement System membership class, based on an estimate for the forthcoming fiscal year of the gross compensation of employees participating in the optional retirement program, the dollar contribution amounts necessary to make the allocations required under ss. 121.72 and 121.73.

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1 For each employee membership class and subclass, the actuarial  
 2 study shall establish a uniform rate necessary to fund the  
 3 benefit obligations under both Florida Retirement System  
 4 retirement plans, by dividing the sum of total dollars  
 5 required by the estimated gross compensation of members in  
 6 both plans.

7 (2) Based on the uniform rates set forth in subsection  
 8 (3), employers shall make monthly contributions to the  
 9 Division of Retirement, which shall initially deposit the  
 10 funds into the Florida Retirement System Contributions  
 11 Clearing Trust Fund. A change in a contribution rate is  
 12 effective the first day of the month for which a full month's  
 13 employer contribution may be made on or after the beginning  
 14 date of the change.

15 (3) Required employer retirement contribution rates  
 16 for each membership class and subclass of the Florida  
 17 Retirement System for both retirement plans are as follows:

	Percentage of		Percentage of	
	Gross		Gross	
	Compensation,		Compensation,	
	Effective		Effective	
Membership Class	July 1, <u>2004</u>	July 1, <u>2005</u>	July 1, <u>2004</u>	July 1, <u>2005</u>
	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>
Regular Class	<u>6.20%</u>	<del>6.18%</del>	<u>9.98%</u>	<del>10.07%</del>
Special Risk Class	<u>17.34%</u>	<del>17.32%</del>	<u>22.16%</u>	<del>22.15%</del>
Special Risk Administrative				
Support Class	<u>8.73%</u>	<del>8.71%</del>	<u>12.55%</u>	<del>12.58%</del>
Elected Officers' Class -				
Legislators, Governor,				
Lt. Governor,				

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1	Cabinet Officers,				
2	State Attorneys,				
3	Public Defenders	<u>11.30%</u>	<del>11.28%</del>	<u>15.82%</u>	<del>15.48%</del>
4	Elected Officers' Class -				
5	Justices, Judges	<u>17.46%</u>	<del>17.44%</del>	<u>20.78%</u>	<del>20.70%</del>
6	Elected Officers' Class -				
7	County Elected Officers	<u>14.04%</u>	<del>14.02%</del>	<u>17.73%</u>	<del>17.81%</del>
8	Senior Management Class	<u>8.18%</u>	<del>8.16%</del>	<u>11.64%</u>	<del>11.59%</del>
9	DROP	8.00%		11.56%	

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11 (4) The state actuary shall recognize and use an  
 12 appropriate level of available excess assets of the Florida  
 13 Retirement System Trust Fund to offset the difference between  
 14 the normal costs of the Florida Retirement System and the  
 15 statutorily prescribed contribution rates.

16 Section 2. Section 121.74, Florida Statutes, is  
 17 amended to read:

18 121.74 Administrative and educational  
 19 expenses.--Effective July 1, 2004 ~~2003~~, in addition to  
 20 contributions required under s. 121.71, employers  
 21 participating in the Florida Retirement System shall  
 22 contribute an amount equal to 0.08 ~~0.10~~ percent of the payroll  
 23 reported for each class or subclass of Florida Retirement  
 24 System membership, which amount shall be transferred by the  
 25 Division of Retirement from the Florida Retirement System  
 26 Contributions Clearing Trust Fund to the State Board of  
 27 Administration's Administrative Trust Fund to offset the costs  
 28 of administering the optional retirement program and the costs  
 29 of providing educational services to participants in the  
 30 defined benefit program and the optional retirement program.

31 Approval of the Trustees of the State Board of Administration

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1 is required prior to the expenditure of these funds. Payments  
2 for third-party administrative or educational expenses shall  
3 be made only pursuant to the terms of the approved contracts  
4 for such services.

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

17 Section 4. This act shall take effect July 1, 2004.

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

21 And the title is amended as follows:

22 Delete everything before the enacting clause

23

24 and insert:

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A bill to be entitled

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An act relating to retirement; amending s.

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121.71, F.S.; revising the payroll contribution

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rates for the membership classes of the Florida

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Retirement System for the state fiscal years

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effective July 1, 2004, and July 1, 2005;

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amending s. 121.74, F.S.; reducing the fee

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1           imposed for the cost of administration;  
2           providing a declaration of important state  
3           interest; providing an effective date.

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