

1 A bill to be entitled
2 An act relating to retirement; amending s.
3 121.71, F.S.; revising the payroll contribution
4 rates for the membership classes of the Florida
5 Retirement System for the state fiscal years
6 effective July 1, 2004, and July 1, 2005;
7 amending s. 121.74, F.S.; reducing the fee
8 imposed for the cost of administration;
9 providing a declaration of important state
10 interest; providing an effective date.

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

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

16 121.71 Uniform rates; process; calculations; levy.--
17 (1) In conducting the system actuarial study required
18 under s. 121.031, the actuary shall follow all requirements
19 specified thereunder to determine, by Florida Retirement
20 System employee membership class, the dollar contribution
21 amounts necessary for the forthcoming fiscal year for the
22 defined benefit program. In addition, the actuary shall
23 determine, by Florida Retirement System membership class,
24 based on an estimate for the forthcoming fiscal year of the
25 gross compensation of employees participating in the optional
26 retirement program, the dollar contribution amounts necessary
27 to make the allocations required under ss. 121.72 and 121.73.
28 For each employee membership class and subclass, the actuarial
29 study shall establish a uniform rate necessary to fund the
30 benefit obligations under both Florida Retirement System
31 retirement plans, by dividing the sum of total dollars

1 required by the estimated gross compensation of members in
 2 both plans.

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

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

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2004</u> 2003	Percentage of Gross Compensation, Effective July 1, <u>2005</u> 2004	Percentage of Gross Compensation, Effective July 1, <u>2004</u> 2003	Percentage of Gross Compensation, Effective July 1, <u>2005</u> 2004
Regular Class	<u>6.20%</u>	6.18%	<u>9.98%</u>	10.07%
Special Risk Class	<u>17.34%</u>	17.32%	<u>22.16%</u>	22.15%
Special Risk Administrative Support Class	<u>8.73%</u>	8.71%	<u>12.55%</u>	12.58%
Elected Officers' Class - Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>11.30%</u>	11.28%	<u>15.82%</u>	15.48%
Elected Officers' Class -				

1	Justices, Judges	<u>17.46%</u>	17.44%	<u>20.78%</u>	20.70%
2	Elected Officers' Class -				
3	County Elected Officers	<u>14.04%</u>	14.02%	<u>17.73%</u>	17.81%
4	Senior Management Class	<u>8.18%</u>	8.16%	<u>11.64%</u>	11.59%
5	DROP	8.00%		11.56%	

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

12 Section 2. Section 121.74, Florida Statutes, is
 13 amended to read:

14 121.74 Administrative and educational
 15 expenses.--Effective July 1, 2004 ~~2003~~, in addition to
 16 contributions required under s. 121.71, employers
 17 participating in the Florida Retirement System shall
 18 contribute an amount equal to 0.08 ~~0.10~~ percent of the payroll
 19 reported for each class or subclass of Florida Retirement
 20 System membership, which amount shall be transferred by the
 21 Division of Retirement from the Florida Retirement System
 22 Contributions Clearing Trust Fund to the State Board of
 23 Administration's Administrative Trust Fund to offset the costs
 24 of administering the optional retirement program and the costs
 25 of providing educational services to participants in the
 26 defined benefit program and the optional retirement program.
 27 Approval of the Trustees of the State Board of Administration
 28 is required prior to the expenditure of these funds. Payments
 29 for third-party administrative or educational expenses shall
 30 be made only pursuant to the terms of the approved contracts
 31 for such services.

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 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. These persons must be
7 provided benefits that are fair and adequate and that are
8 managed, administered, and funded in an actuarially sound
9 manner, as required by Section 14, Article X of the State
10 Constitution, and part VII of chapter 112, Florida Statutes.
11 Therefore, the Legislature determines and declares that this
12 act fulfills an important state interest.

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