

HB 0309

2004

1 A bill to be entitled
 2 An act relating to retirement; amending s. 121.021, F.S.;
 3 redefining the term "average final compensation" with
 4 respect to the Florida Retirement System; revising
 5 contribution rates as part of the funding process;
 6 providing a declaration of important state interest;
 7 providing an effective date.

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

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 11 Section 1. Subsection (24) of section 121.021, Florida
 12 Statutes, is amended to read:

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

16 (24) "Average final compensation" means the average of the
 17 3 ~~5~~ highest fiscal years of compensation for creditable service
 18 prior to retirement, termination, or death. For in-line-of-duty
 19 disability benefits, if less than 3 ~~5~~ years of creditable
 20 service have been completed, the term "average final
 21 compensation" means the average annual compensation of the total
 22 number of years of creditable service. Each year used in the
 23 calculation of average final compensation shall commence on July
 24 1.

25 (a) The average final compensation shall include:
 26 1. Accumulated annual leave payments, not to exceed 500
 27 hours; and
 28 2. All payments defined as compensation in subsection
 29 (22).

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- 30 (b) The average final compensation shall not include:
- 31 1. Compensation paid to professional persons for special
- 32 or particular services;
- 33 2. Payments for accumulated sick leave made due to
- 34 retirement or termination;
- 35 3. Payments for accumulated annual leave in excess of 500
- 36 hours;
- 37 4. Bonuses as defined in subsection (47);
- 38 5. Third party payments made on and after July 1, 1990; or
- 39 6. Fringe benefits (for example, automobile allowances or
- 40 housing allowances).

41 Section 2. Effective July 1, 2004, for the purposes of

42 funding the 3-year average final compensation benefit change,

43 the contribution rate for the below-named classes of the Florida

44 Retirement System shall be increased, as follows:

45 (a) The contribution rate that applies to the Regular

46 Class of the Florida Retirement System shall be increased by

47 1.06 percentage points.

48 (b) The contribution rate that applies to the Special Risk

49 Class of the Florida Retirement System shall be increased by

50 2.14 percentage points.

51 (c) The contribution rate that applies to the Special Risk

52 Administrative Support Class of the Florida Retirement System

53 shall be increased by 1.67 percentage points.

54 (d) The contribution rate that applies to the Judicial

55 subclass of the Elected Officers' Class of the Florida

56 Retirement System shall increase by 1.87 percentage points.

57 (e) The contribution rate that applies to the legislative-

58 attorney-Cabinet subclass of the Elected Officers' Class of the

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59 Florida Retirement Class shall be increased by 1.79 percentage
 60 points.

61 (f) The contribution rate that applies to the County
 62 Officers' subclass of the Elected Officers' Class of the Florida
 63 Retirement System shall be increased by 1.66 percentage points.

64 (g) The contribution rate that applies to the Senior
 65 Management Service Class of the Florida Retirement System shall
 66 be increased by 1.45 percentage points.

67
 68 These increases shall be in addition to all changes to such
 69 contribution rates which may be enacted into law to take effect
 70 on that date. The Division of Statutory Revision is directed to
 71 adjust the contribution rates set forth in ss. 121.052, 121.055,
 72 and 121.071, Florida Statutes.

73 Section 3. The Legislature finds that a proper and
 74 legitimate state purpose is served when employees and retirees
 75 of the state and its political subdivisions and the dependents,
 76 survivors, and beneficiaries of such employees and retirees are
 77 extended the basic protections afforded by governmental
 78 retirement systems that provide fair and adequate benefits and
 79 that are managed, administered, and funded in an actuarially
 80 sound manner, as required by s. 14, Art. X, of the State
 81 Constitution and part VII of chapter 112, Florida Statutes.
 82 Therefore, the Legislature determines and declares that this act
 83 fulfills an important state interest.

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