

Bill No. HB 1907

Barcode 725822

CHAMBER ACTION

Senate

House

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The Committee on Ways and Means (Pruitt) recommended the following amendment:

Senate 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>2005</u>	July 1, <u>2006</u>
	2004	2005
25 Regular Class	6.20%	<u>9.53%</u> 9.98%
26 Special Risk Class	17.34%	<u>21.91%</u> 22.16%
27 Special Risk Administrative		
28 Support Class	8.73%	<u>12.39%</u> 12.55%
29 Elected Officers' Class -		
30 Legislators, Governor,		
31 Lt. Governor,		

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1	Cabinet Officers,		
2	State Attorneys,		
3	Public Defenders	11.30%	<u>14.86%</u> 15.82%
4	Elected Officers' Class -		
5	Justices, Judges	17.46%	<u>20.43%</u> 20.78%
6	Elected Officers' Class -		
7	County Elected Officers	14.04%	<u>17.00%</u> 17.73%
8	Senior Management Class	8.18%	<u>13.27%</u> 11.64%
9	DROP	8.00%	<u>11.74%</u> 11.56%

10

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. Subsection (12) of section 121.40, Florida
 17 Statutes, is amended to read:

18 121.40 Cooperative extension personnel at the
 19 Institute of Food and Agricultural Sciences; supplemental
 20 retirement benefits.--

21 (12) CONTRIBUTIONS.--

22 (a) For the purposes of funding the supplemental
 23 benefits provided by this section, the institute is authorized
 24 and required to pay, commencing July 1, 1985, the necessary
 25 monthly contributions from its appropriated budget. These
 26 amounts shall be paid into the Institute of Food and
 27 Agricultural Sciences Supplemental Retirement Trust Fund,
 28 which is hereby created.

29 (b) The monthly contributions required to be paid
 30 pursuant to paragraph (a) on the gross monthly salaries, from
 31 all sources with respect to such employment, paid to those

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1 employees of the institute who hold both state and federal
 2 appointments and who participate in the federal Civil Service
 3 Retirement System shall be as follows:

5 Dates of Contribution	Percentage
6 Rate Changes	Due
7 July 1, 1985, through December 31, 1988	6.68%
8 January 1, 1989, through December 31, 1993	6.35%
9 January 1, 1994, through December 31, 1994	6.69%
10 January 1, 1995, through June 30, 1996	6.82%
11 July 1, 1996, through June 30, 1998	5.64%
12 July 1, 1998, through June 30, 2001	7.17%
13 July 1, 2001, through June 30, 2003	6.96%
14 Effective <u>July 1, 2003, through June 30,</u>	13.83%
15 <u>2005</u>	
16 <u>Effective July 1, 2005, through June 30,</u>	<u>20.23%</u>
17 <u>2007</u>	

18
 19 Section 3. The Legislature finds that a proper and
 20 legitimate state purpose is served when employees and retirees
 21 of the state and its political subdivisions, and the
 22 dependents, survivors, and beneficiaries of such employees and
 23 retirees, are extended the basic protections afforded by
 24 governmental retirement systems. These persons must be
 25 provided benefits that are fair and adequate and that are
 26 managed, administered, and funded in an actuarially sound
 27 manner, as required by Section 14, Article X of the State
 28 Constitution, and part VII of chapter 112, Florida Statutes.
 29 Therefore, the Legislature determines and declares that this
 30 act fulfills an important state interest.

31 Section 4. Section 121.74, Florida Statutes, is

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1 amended to read:

2 121.74 Administrative and educational
3 expenses.--~~Effective July 1, 2004,~~ In addition to
4 contributions required under s. 121.71, employers
5 participating in the Florida Retirement System shall
6 contribute an amount equal to 0.05 ~~0.08~~ percent of the payroll
7 reported for each class or subclass of Florida Retirement
8 System membership, which amount shall be transferred by the
9 Division of Retirement from the Florida Retirement System
10 Contributions Clearing Trust Fund to the State Board of
11 Administration's Administrative Trust Fund to offset the costs
12 of administering the optional retirement program and the costs
13 of providing educational services to participants in the
14 defined benefit program and the optional retirement program.
15 Approval of the Trustees of the State Board of Administration
16 is required prior to the expenditure of these funds. Payments
17 for third-party administrative or educational expenses shall
18 be made only pursuant to the terms of the approved contracts
19 for such services.

20 Section 5. This act shall take effect July 1, 2005.

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

24 And the title is amended as follows:

25 Delete everything before the enacting clause,

26

27 and insert:

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 A bill to be entitled

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 An act relating to retirement; amending s.

30

 121.71, F.S.; revising the payroll contribution

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 rates for the membership classes of the Florida

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1 Retirement System for the state fiscal years
2 effective July 1, 2005, and July 1, 2006;
3 amending s. 121.40, F.S.; revising the payroll
4 contribution rate for the Institute of Food and
5 Agricultural Sciences, effective July 1, 2005;
6 providing a declaration of important state
7 interest; amending s. 121.74, F.S.; reducing
8 the administrative and educational assessments
9 paid to the State Board of Administration;
10 providing an effective date.

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