

A bill to be entitled

An act relating to retirement; amending s. 121.71, F.S.;  
 revising the payroll contribution rates for the membership  
 classes of the Florida Retirement System for the state  
 fiscal years effective July 1, 2005, and July 1, 2006;  
 amending s. 121.40, F.S.; revising the payroll  
 contribution rate for the Institute of Food and  
 Agricultural Sciences, effective July 1, 2005; providing a  
 declaration of important state interest; amending s.  
 121.74, F.S.; reducing the administrative and educational  
 assessments paid to the State Board of Administration;  
 providing an effective date.

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

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

29 required under ss. 121.72 and 121.73. For each employee  
 30 membership class and subclass, the actuarial study shall  
 31 establish a uniform rate necessary to fund the benefit  
 32 obligations under both Florida Retirement System retirement  
 33 plans, by dividing the sum of total dollars required by the  
 34 estimated gross compensation of members in both plans.

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

42 (3) Required employer retirement contribution rates for  
 43 each membership class and subclass of the Florida Retirement  
 44 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>
	<del>2004</del>	<del>2005</del>

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51	Regular Class	<u>6.67%</u>	<del>6.20%</del>	<u>9.53%</u>	<del>9.98%</del>
52	Special Risk Class	<u>17.37%</u>	<del>17.34%</del>	<u>21.91%</u>	<del>22.16%</del>
53	Special Risk Administrative				
54	Support Class	<u>8.76%</u>	<del>8.73%</del>	<u>12.39%</u>	<del>12.55%</del>
55	Elected Officers' Class -				
56	Legislators, Governor,				
57	Lt. Governor,				
58	Cabinet Officers,				
59	State Attorneys,				
60	Public Defenders	<u>11.33%</u>	<del>11.30%</del>	<u>14.86%</u>	<del>15.82%</del>
61	Elected Officers' Class -				
62	Justices, Judges	<u>17.49%</u>	<del>17.46%</del>	<u>20.43%</u>	<del>20.78%</del>

63	Elected Officers' Class -				
	County Elected Officers	<u>14.07%</u>	<del>14.04%</del>	<u>17.00%</u>	<del>17.73%</del>
64	Senior Management Class	<u>9.29%</u>	<del>8.18%</del>	<u>13.27%</u>	<del>11.64%</del>
65	DROP	<u>8.22%</u>	<del>8.00%</del>	<u>11.74%</u>	<del>11.56%</del>

68 (4) The state actuary shall recognize and use an  
 69 appropriate level of available excess assets of the Florida  
 70 Retirement System Trust Fund to offset the difference between  
 71 the normal costs of the Florida Retirement System and the  
 72 statutorily prescribed contribution rates.

73 Section 2. Subsection (12) of section 121.40, Florida  
 74 Statutes, is amended to read:

75 121.40 Cooperative extension personnel at the Institute of  
 76 Food and Agricultural Sciences; supplemental retirement  
 77 benefits.--

78 (12) CONTRIBUTIONS.--

79 (a) For the purposes of funding the supplemental benefits  
 80 provided by this section, the institute is authorized and  
 81 required to pay, commencing July 1, 1985, the necessary monthly  
 82 contributions from its appropriated budget. These amounts shall  
 83 be paid into the Institute of Food and Agricultural Sciences

84 Supplemental Retirement Trust Fund, which is hereby created.

85 (b) The monthly contributions required to be paid pursuant  
 86 to paragraph (a) on the gross monthly salaries, from all sources  
 87 with respect to such employment, paid to those employees of the  
 88 institute who hold both state and federal appointments and who  
 89 participate in the federal Civil Service Retirement System shall  
 90 be as follows:

Dates of Contribution	Percentage
Rate Changes	Due
July 1, 1985, through December 31, 1988	6.68%
January 1, 1989, through December 31, 1993	6.35%
January 1, 1994, through December 31, 1994	6.69%
January 1, 1995, through June 30, 1996	6.82%
July 1, 1996, through June 30, 1998	5.64%
July 1, 1998, through June 30, 2001	7.17%

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July 1, 2001, through June 30, 2003, 6.96%

~~Effective~~ July 1, 2003, through June 30, 2005 13.83%

Effective July 1, 2005, through June 30, 2007 20.23%

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

Section 4. Section 121.74, Florida Statutes, is amended to read:

121.74 Administrative and educational expenses.--~~Effective July 1, 2004,~~ In addition to contributions required under s. 121.71, employers participating in the Florida Retirement System shall contribute an amount equal to 0.05 ~~0.08~~ percent of the

120 payroll reported for each class or subclass of Florida  
121 Retirement System membership, which amount shall be transferred  
122 by the Division of Retirement from the Florida Retirement System  
123 Contributions Clearing Trust Fund to the State Board of  
124 Administration's Administrative Trust Fund to offset the costs  
125 of administering the optional retirement program and the costs  
126 of providing educational services to participants in the defined  
127 benefit program and the optional retirement program. Approval of  
128 the Trustees of the State Board of Administration is required  
129 prior to the expenditure of these funds. Payments for third-  
130 party administrative or educational expenses shall be made only  
131 pursuant to the terms of the approved contracts for such  
132 services.

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

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