

ENROLLED  
 HB 1907, Engrossed 1

2005 Legislature

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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

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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>

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

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

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

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

(12) CONTRIBUTIONS.--

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

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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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98 July 1, 2001, through June 30, 6.96%  
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99 ~~Effective~~ July 1, 2003, through 13.83%  
 100 June 30, 2005

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

103 Section 3. The Legislature finds that a proper and  
 104 legitimate state purpose is served when employees and retirees  
 105 of the state and its political subdivisions, and the dependents,  
 106 survivors, and beneficiaries of such employees and retirees, are  
 107 extended the basic protections afforded by governmental  
 108 retirement systems. These persons must be provided benefits that  
 109 are fair and adequate and that are managed, administered, and  
 110 funded in an actuarially sound manner, as required by Section  
 111 14, Article X of the State Constitution, and part VII of chapter  
 112 112, Florida Statutes. Therefore, the Legislature determines and  
 113 declares that this act fulfills an important state interest.

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

116 121.74 Administrative and educational expenses.--~~Effective~~  
 117 ~~July 1, 2004,~~ In addition to contributions required under s.  
 118 121.71, employers participating in the Florida Retirement System  
 119 shall contribute an amount equal to 0.05 ~~0.08~~ percent of the

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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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