

By Senator Baker

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A bill to be entitled
An act relating to the Florida Retirement System; amending s. 121.091, F.S.; revising the retirement credit rate for members of the Regular Class of the system; providing legislative findings; providing an effective date.

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

Section 1. Subsection (1) of section 121.091, Florida Statutes, is amended to read:

121.091 Benefits payable under the system.--Benefits may not be paid under this section unless the member has terminated employment as provided in s. 121.021(39)(a) or begun participation in the Deferred Retirement Option Program as provided in subsection (13), and a proper application has been filed in the manner prescribed by the department. The department may cancel an application for retirement benefits when the member or beneficiary fails to timely provide the information and documents required by this chapter and the department's rules. The department shall adopt rules establishing procedures for application for retirement benefits and for the cancellation of such application when the required information or documents are not received.

(1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or her normal retirement date, the member, upon application to the administrator, shall receive a monthly benefit which shall begin to accrue on the first day of the month of retirement and be payable on the last day of that month and each month thereafter during his or her lifetime. The normal retirement

1 benefit, including any past or additional retirement credit,
2 may not exceed 100 percent of the average final compensation.
3 The amount of monthly benefit shall be calculated as the
4 product of A and B, subject to the adjustment of C, if
5 applicable, as set forth below:

6 (a)1. For creditable years of Regular Class service, A
7 is 1.60 percent of the member's average final compensation, up
8 to the member's normal retirement date. Upon reaching the
9 member's normal retirement date, A is 1.67 percent of the
10 member's average final compensation. Upon completion of the
11 first year after the normal retirement date, A is 1.70 ~~1.63~~
12 percent of the member's average final compensation. Following
13 the second year after the normal retirement date, A is 1.73
14 ~~1.65~~ percent of the member's average final compensation.
15 Following the third year after the normal retirement date, and
16 for subsequent years, A is 1.76 ~~1.68~~ percent of the member's
17 average final compensation.

18 2. For creditable years of special risk service, A is:

19 a. Two percent of the member's average final
20 compensation for all creditable years prior to October 1,
21 1974;

22 b. Three percent of the member's average final
23 compensation for all creditable years after September 30,
24 1974, and before October 1, 1978;

25 c. Two percent of the member's average final
26 compensation for all creditable years after September 30,
27 1978, and before January 1, 1989;

28 d. Two and two-tenths percent of the member's final
29 monthly compensation for all creditable years after December
30 31, 1988, and before January 1, 1990;

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1 e. Two and four-tenths percent of the member's average
2 final compensation for all creditable years after December 31,
3 1989, and before January 1, 1991;

4 f. Two and six-tenths percent of the member's average
5 final compensation for all creditable years after December 31,
6 1990, and before January 1, 1992;

7 g. Two and eight-tenths percent of the member's
8 average final compensation for all creditable years after
9 December 31, 1991, and before January 1, 1993;

10 h. Three percent of the member's average final
11 compensation for all creditable years after December 31, 1992;
12 and

13 i. Three percent of the member's average final
14 compensation for all creditable years of service after
15 September 30, 1978, and before January 1, 1993, for any
16 special risk member who retires after July 1, 2000, or any
17 member of the Special Risk Administrative Support Class
18 entitled to retain the special risk normal retirement date who
19 was a member of the Special Risk Class during the time period
20 and who retires after July 1, 2000.

21 3. For creditable years of Senior Management Service
22 Class service after January 31, 1987, A is 2 percent;

23 4. For creditable years of Elected Officers' Class
24 service as a Supreme Court Justice, district court of appeal
25 judge, circuit judge, or county court judge, A is 3 1/3
26 percent of the member's average final compensation, and for
27 all other creditable service in such class, A is 3 percent of
28 average final compensation;

29 (b) B is the number of the member's years and any
30 fractional part of a year of creditable service earned
31 subsequent to November 30, 1970; and

1 (c) C is the normal retirement benefit credit brought
2 forward as of November 30, 1970, by a former member of an
3 existing system. Such normal retirement benefit credit shall
4 be determined as the product of X and Y when X is the
5 percentage of average final compensation which the member
6 would have been eligible to receive if the member had attained
7 his or her normal retirement date as of November 30, 1970, all
8 in accordance with the existing system under which the member
9 is covered on November 30, 1970, and Y is average final
10 compensation as defined in s. 121.021(25). However, any
11 member of an existing retirement system who is eligible to
12 retire and who does retire, become disabled, or die prior to
13 April 15, 1971, may have his or her retirement benefits
14 calculated on the basis of the best 5 of the last 10 years of
15 service.

16 (d) A member's average final compensation shall be
17 determined by formula to obtain the coverage for the 5 highest
18 fiscal years' salaries, calculated as provided by rule.

19 Section 2. The Legislature finds that a proper and
20 legitimate state purpose is served when employees and retirees
21 of the state and of 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 that provide fair and adequate
25 benefits and that are managed, administered, and funded in an
26 actuarially sound manner as required by s. 14, Art. X of the
27 State Constitution and part VII of chapter 112, Florida
28 Statutes. Therefore, the Legislature determines and declares
29 that this act fulfills an important state interest.

30 Section 3. This act shall take effect July 1, 2006.
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SENATE SUMMARY

Increases the retirement credit rate applicable to members of the Regular Class of the Florida Retirement System.