

HB 5025

2006

1                   A bill to be entitled  
2           An act relating to retirement; amending s. 121.71, F.S.;  
3           revising the payroll contribution rates for the membership  
4           classes of the Florida Retirement System for the state  
5           fiscal years effective July 1, 2006, and July 1, 2007;  
6           providing a declaration of important state interest;  
7           providing an effective date.

8

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

10

11           Section 1. Section 121.71, Florida Statutes, is amended to  
12   read:

13           121.71 Uniform rates; process; calculations; levy.--

14           (1) In conducting the system actuarial study required  
15   under s. 121.031, the actuary shall follow all requirements  
16   specified thereunder to determine, by Florida Retirement System  
17   employee membership class, the dollar contribution amounts  
18   necessary for the forthcoming fiscal year for the defined  
19   benefit program. In addition, the actuary shall determine, by  
20   Florida Retirement System membership class, based on an estimate  
21   for the forthcoming fiscal year of the gross compensation of  
22   employees participating in the optional retirement program, the  
23   dollar contribution amounts necessary to make the allocations  
24   required under ss. 121.72 and 121.73. For each employee  
25   membership class and subclass, the actuarial study shall  
26   establish a uniform rate necessary to fund the benefit  
27   obligations under both Florida Retirement System retirement

28 plans, by dividing the sum of total dollars required by the  
 29 estimated gross compensation of members in both plans.

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

37 (3) Required employer retirement contribution rates for  
 38 each membership class and subclass of the Florida Retirement  
 39 System for both retirement plans are as follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2006</u> <del>2005</del>	Percentage of Gross Compensation, Effective July 1, <u>2007</u> <del>2006</del>
Regular Class	<u>8.69%</u> <del>6.67%</del>	<u>9.55%</u> <del>9.53%</del>
Special Risk Class	<u>19.76%</u> <del>17.37%</del>	<u>21.96%</u> <del>21.91%</del>
Special Risk Administrative Support Class	<u>11.39%</u> <del>8.76%</del>	<u>12.65%</u> <del>12.39%</del>
Elected Officers'	<u>13.32%</u> <del>11.33%</del>	<u>14.80%</u> <del>14.86%</del>

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Class -  
 Legislators,  
 Governor,  
 Lt. Governor,  
 Cabinet Officers,  
 State Attorneys,  
 Public Defenders

45

Elected Officers'            18.40% ~~17.49%~~            20.44% ~~20.43%~~

Class -  
 Justices, Judges

46

Elected Officers'            15.37% ~~14.07%~~            17.08% ~~17.00%~~

Class -  
 County Elected  
 Officers

47

Senior Management            11.96% ~~9.29%~~            13.29% ~~13.27%~~

Class

48

DROP                            9.80% ~~8.22%~~            10.89% ~~11.74%~~

49

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

55            Section 2. The Legislature finds that a proper and

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56 legitimate state purpose is served when employees and retirees  
57 of the state and its political subdivisions, and the dependents,  
58 survivors, and beneficiaries of such employees and retirees, are  
59 extended the basic protections afforded by governmental  
60 retirement systems. These persons must be provided benefits that  
61 are fair and adequate and that are managed, administered, and  
62 funded in an actuarially sound manner, as required by Section  
63 14, Article X of the State Constitution, and part VII of chapter  
64 112, Florida Statutes. Therefore, the Legislature determines and  
65 declares that this act fulfills an important state interest.

66 Section 3. This act shall take effect July 1, 2006.