

1 A bill to be entitled
 2 An act relating to the Florida Retirement System; amending
 3 s. 121.091, F.S.; revising the retirement credit rate for
 4 members of the Regular Class; providing a finding of
 5 important state interest; providing an effective date.

6
 7 Be It Enacted by the Legislature of the State of Florida:

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

11 121.091 Benefits payable under the system.--Benefits may
 12 not be paid under this section unless the member has terminated
 13 employment as provided in s. 121.021(39) (a) or begun
 14 participation in the Deferred Retirement Option Program as
 15 provided in subsection (13), and a proper application has been
 16 filed in the manner prescribed by the department. The department
 17 may cancel an application for retirement benefits when the
 18 member or beneficiary fails to timely provide the information
 19 and documents required by this chapter and the department's
 20 rules. The department shall adopt rules establishing procedures
 21 for application for retirement benefits and for the cancellation
 22 of such application when the required information or documents
 23 are not received.

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

29 during his or her lifetime. The normal retirement benefit,
 30 including any past or additional retirement credit, may not
 31 exceed 100 percent of the average final compensation. The amount
 32 of monthly benefit shall be calculated as the product of A and
 33 B, subject to the adjustment of C, if applicable, as set forth
 34 below:

35 (a)1. For creditable years of Regular Class service, A is
 36 1.60 percent of the member's average final compensation, up to
 37 the member's normal retirement date. Upon reaching the normal
 38 retirement date, A is 1.67 percent of the member's average final
 39 compensation. Upon completion of the first year after the normal
 40 retirement date, A is 1.70 ~~1.63~~ percent of the member's average
 41 final compensation. Following the second year after the normal
 42 retirement date, A is 1.73 ~~1.65~~ percent of the member's average
 43 final compensation. Following the third year after the normal
 44 retirement date, and for subsequent years, A is 1.76 ~~1.68~~
 45 percent of the member's average final compensation.

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

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

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

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

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55 d. Two and two-tenths percent of the member's final
56 monthly compensation for all creditable years after December 31,
57 1988, and before January 1, 1990;

58 e. Two and four-tenths percent of the member's average
59 final compensation for all creditable years after December 31,
60 1989, and before January 1, 1991;

61 f. Two and six-tenths percent of the member's average
62 final compensation for all creditable years after December 31,
63 1990, and before January 1, 1992;

64 g. Two and eight-tenths percent of the member's average
65 final compensation for all creditable years after December 31,
66 1991, and before January 1, 1993;

67 h. Three percent of the member's average final
68 compensation for all creditable years after December 31, 1992;
69 and

70 i. Three percent of the member's average final
71 compensation for all creditable years of service after September
72 30, 1978, and before January 1, 1993, for any special risk
73 member who retires after July 1, 2000, or any member of the
74 Special Risk Administrative Support Class entitled to retain the
75 special risk normal retirement date who was a member of the
76 Special Risk Class during the time period and who retires after
77 July 1, 2000.

78 3. For creditable years of Senior Management Service Class
79 service after January 31, 1987, A is 2 percent. †

80 4. For creditable years of Elected Officers' Class service
81 as a Supreme Court Justice, district court of appeal judge,
82 circuit judge, or county court judge, A is 3 1/3 percent of the

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83 member's average final compensation, and for all other
84 creditable service in such class, A is 3 percent of average
85 final compensation.~~†~~

86 (b) B is the number of the member's years and any
87 fractional part of a year of creditable service earned
88 subsequent to November 30, 1970.~~†~~and

89 (c) C is the normal retirement benefit credit brought
90 forward as of November 30, 1970, by a former member of an
91 existing system. Such normal retirement benefit credit shall be
92 determined as the product of X and Y when X is the percentage of
93 average final compensation which the member would have been
94 eligible to receive if the member had attained his or her normal
95 retirement date as of November 30, 1970, all in accordance with
96 the existing system under which the member is covered on
97 November 30, 1970, and Y is average final compensation as
98 defined in s. 121.021(25). However, any member of an existing
99 retirement system who is eligible to retire and who does retire,
100 become disabled, or die prior to April 15, 1971, may have his or
101 her retirement benefits calculated on the basis of the best 5 of
102 the last 10 years of service.

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

106 Section 2. The Legislature finds that a proper and
107 legitimate state purpose is served when employees and retirees
108 of the state and of its political subdivisions, and the
109 dependents, survivors, and beneficiaries of such employees and
110 retirees, are extended the basic protections afforded by

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111 governmental retirement systems that provide fair and adequate
112 benefits that are managed, administered, and funded in an
113 actuarially sound manner, as required by s. 14, Art. X of the
114 State Constitution and part VII of chapter 112, Florida
115 Statutes. Therefore, the Legislature determines and declares
116 that this act fulfills an important state interest.

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