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1 A bill to be entitled
 2 An act relating to the Florida Retirement System; amending
 3 s. 121.055, F.S.; revising the retirement credit rate for
 4 members of the Senior Management Service Class; amending
 5 s. 121.091, F.S., to conform; providing a finding of
 6 important state interest; providing an effective date.

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

9
 10 Section 1. Paragraph (j) of subsection (1) and subsection
 11 (4) of section 121.055, Florida Statutes, are amended to read:
 12 121.055 Senior Management Service Class.--There is hereby
 13 established a separate class of membership within the Florida
 14 Retirement System to be known as the "Senior Management Service
 15 Class," which shall become effective February 1, 1987.

16 (1)
 17 (j) Except as may otherwise be provided, any member of the
 18 Senior Management Service Class may purchase additional
 19 retirement credit in such class for creditable service within
 20 the purview of the Senior Management Service Class retroactive
 21 to February 1, 1987, and may upgrade retirement credit for such
 22 service, to the extent of 2.5 percent of the member's average
 23 monthly compensation as specified in paragraph (4)(d) for such
 24 service. Contributions for upgrading the additional Senior
 25 Management Service credit pursuant to this paragraph shall be
 26 equal to the difference in the contributions paid and the Senior
 27 Management Service Class contribution rate as a percentage of
 28 gross salary in effect for the period being claimed, plus

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29 interest thereon at the rate of 6.5 percent a year, compounded
30 annually until the date of payment. This service credit may be
31 purchased by the employer on behalf of the member.

32 (4) (a) The definitions set forth in s. 121.021 and all
33 other provisions of this chapter shall apply to the Senior
34 Management Service Class, except the definitions and provisions
35 in conflict with, or superseded or modified by, the provisions
36 of this section.

37 (b) Service in an eligible position prior to February 1,
38 1987, or after January 31, 1987, shall satisfy the requirement
39 of attaining the normal retirement date as defined in s.
40 121.021(29) for a Senior Management Service Class member,
41 provided the employee is a member of the Senior Management
42 Service Class after January 31, 1987. A member of this class who
43 fails to complete 6 years of creditable service in an eligible
44 position shall be required to satisfy the requirements for the
45 normal retirement date for a regular member as provided in s.
46 121.021(29).

47 (c) The average final compensation of a member of this
48 class shall be as defined in s. 121.021(24).

49 (d) A member of the Senior Management Service Class shall
50 receive retirement credit at the rate of 2 percent of average
51 final compensation for each year of service in such class after
52 January 31, 1987, and before July 1, 2007, and at the rate of
53 2.5 percent of average final compensation for each year of
54 service in such class after June 30, 2007.

55 Section 2. Paragraph (a) of subsection (1) of section
56 121.091, Florida Statutes, is amended to read:

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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57 121.091 Benefits payable under the system.--Benefits may
58 not be paid under this section unless the member has terminated
59 employment as provided in s. 121.021(39)(a) or begun
60 participation in the Deferred Retirement Option Program as
61 provided in subsection (13), and a proper application has been
62 filed in the manner prescribed by the department. The department
63 may cancel an application for retirement benefits when the
64 member or beneficiary fails to timely provide the information
65 and documents required by this chapter and the department's
66 rules. The department shall adopt rules establishing procedures
67 for application for retirement benefits and for the cancellation
68 of such application when the required information or documents
69 are not received.

70 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or her
71 normal retirement date, the member, upon application to the
72 administrator, shall receive a monthly benefit which shall begin
73 to accrue on the first day of the month of retirement and be
74 payable on the last day of that month and each month thereafter
75 during his or her lifetime. The normal retirement benefit,
76 including any past or additional retirement credit, may not
77 exceed 100 percent of the average final compensation. The amount
78 of monthly benefit shall be calculated as the product of A and
79 B, subject to the adjustment of C, if applicable, as set forth
80 below:

81 (a)1. For creditable years of Regular Class service, A is
82 1.60 percent of the member's average final compensation, up to
83 the member's normal retirement date. Upon completion of the
84 first year after the normal retirement date, A is 1.63 percent

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85 of the member's average final compensation. Following the second
86 year after the normal retirement date, A is 1.65 percent of the
87 member's average final compensation. Following the third year
88 after the normal retirement date, and for subsequent years, A is
89 1.68 percent of the member's average final compensation.

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

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

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

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

99 d. Two and two-tenths percent of the member's final
100 monthly compensation for all creditable years after December 31,
101 1988, and before January 1, 1990;

102 e. Two and four-tenths percent of the member's average
103 final compensation for all creditable years after December 31,
104 1989, and before January 1, 1991;

105 f. Two and six-tenths percent of the member's average
106 final compensation for all creditable years after December 31,
107 1990, and before January 1, 1992;

108 g. Two and eight-tenths percent of the member's average
109 final compensation for all creditable years after December 31,
110 1991, and before January 1, 1993;

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111 h. Three percent of the member's average final
 112 compensation for all creditable years after December 31, 1992;
 113 and

114 i. Three percent of the member's average final
 115 compensation for all creditable years of service after September
 116 30, 1978, and before January 1, 1993, for any special risk
 117 member who retires after July 1, 2000, or any member of the
 118 Special Risk Administrative Support Class entitled to retain the
 119 special risk normal retirement date who was a member of the
 120 Special Risk Class during the time period and who retires after
 121 July 1, 2000.

122 3. For creditable years of Senior Management Service Class
 123 service after January 31, 1987, and before July 1, 2007, A is 2
 124 percent, and for creditable years of Senior Management Service
 125 Class service after June 30, 2007, A is 2.5 percent;

126 4. For creditable years of Elected Officers' Class service
 127 as a Supreme Court Justice, district court of appeal judge,
 128 circuit judge, or county court judge, A is $31/3$ percent of the
 129 member's average final compensation, and for all other
 130 creditable service in such class, A is 3 percent of average
 131 final compensation;

132 Section 3. The Legislature finds that a proper and
 133 legitimate state purpose is served when employees and retirees
 134 of the state and its political subdivisions, and the dependents,
 135 survivors, and beneficiaries of such employees and retirees, are
 136 extended the basic protections afforded by governmental
 137 retirement systems. These persons must be provided benefits that
 138 are fair and adequate and that are managed, administered, and

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139 | funded in an actuarially sound manner, as required by s. 14,
140 | Art. X of the State Constitution and part VII of chapter 112,
141 | Florida Statutes. Therefore, the Legislature determines and
142 | declares that this act fulfills an important state interest.

143 | Section 4. This act shall take effect July 1, 2007.