

By Senator Carlton

23-824-07

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A bill to be entitled

An act relating to retirement contribution rates; 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, 2007, and July 1, 2008; providing a declaration of important state interest; 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 required under ss. 121.72 and 121.73. For each employee membership class and subclass, the actuarial study shall establish a uniform rate necessary to fund the benefit obligations under both Florida Retirement System retirement plans, by dividing the sum of total dollars

1 required by the estimated gross compensation of members in  
2 both plans.

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

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

	Percentage of Gross Compensation, Effective July 1, <u>2007</u> <del>2006</del>	Percentage of Gross Compensation, Effective July 1, <u>2008</u> <del>2007</del>
Membership Class		
Regular Class	<u>% 8.69%</u>	<u>9.59%</u> <del>9.55%</del>
Special Risk Class	<u>% 19.76%</u>	<u>22.01%</u> <del>21.96%</del>
Special Risk	<u>% 11.39%</u>	<u>11.90%</u> <del>12.65%</del>
Administrative		
Support Class		
Elected Officers' Class--	<u>% 13.32%</u>	<u>14.99%</u> <del>14.80%</del>
Legislators, Governor,		
Lt. Governor,		
Cabinet Officers,		
State Attorneys,		
Public Defenders		

1	Elected Officers' Class--	<del>_____ % 18.40%</del>	<u>20.46%</u>	<del>20.44%</del>
2	Justices, Judges			
3	Elected Officers' Class--	<del>_____ % 15.37%</del>	<u>17.15%</u>	<del>17.08%</del>
4	County Elected Officers			
5	Senior Management Class	<del>_____ % 11.96%</del>	<u>13.35%</u>	<del>13.29%</del>
6	DROP	<del>_____ % 9.80%</del>	<u>11.40%</u>	<del>10.89%</del>
7				

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

13 Section 2. The Legislature finds that a proper and  
14 legitimate state purpose is served when employees and retirees  
15 of the state and its political subdivisions, and the  
16 dependents, survivors, and beneficiaries of such employees and  
17 retirees, are extended the basic protections afforded by  
18 governmental retirement systems. These persons must be  
19 provided benefits that are fair and adequate and that are  
20 managed, administered, and funded in an actuarially sound  
21 manner, as required by Section 14, Article X of the State  
22 Constitution, and part VII of chapter 112, Florida Statutes.  
23 Therefore, the Legislature determines and declares that this  
24 act fulfills an important state interest.

25 Section 3. This act shall take effect July 1, 2007.

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27 SENATE SUMMARY

28 Establishes the payroll contribution rates for the  
29 Florida Retirement System for the 2007 and 2008 state  
30 fiscal years.