Florida Senate - 2007

SB 1490

By the Committee on Governmental Operations

585-469-07 1 A bill to be entitled 2 An act relating to retirement; amending s. 121.71, F.S.; revising the payroll contribution 3 rates for the membership classes of the Florida 4 5 Retirement System for the state fiscal years б effective July 1, 2007, and July 1, 2008; 7 providing a declaration of important state 8 interest; providing an effective date. 9 Be It Enacted by the Legislature of the State of Florida: 10 11 12 Section 1. Section 121.71, Florida Statutes, is 13 amended to read: 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 17 specified thereunder to determine, by Florida Retirement System employee membership class, the dollar contribution 18 amounts necessary for the forthcoming fiscal year for the 19 defined benefit program. In addition, the actuary shall 20 21 determine, by Florida Retirement System membership class, 22 based on an estimate for the forthcoming fiscal year of the 23 gross compensation of employees participating in the optional retirement program, the dollar contribution amounts necessary 2.4 to make the allocations required under ss. 121.72 and 121.73. 25 For each employee membership class and subclass, the actuarial 26 27 study shall establish a uniform rate necessary to fund the 2.8 benefit obligations under both Florida Retirement System retirement plans, by dividing the sum of total dollars 29 required by the estimated gross compensation of members in 30 both plans. 31

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(2) Based on the uniform rates set forth in subsection 1 2 (3), employers shall make monthly contributions to the 3 Division of Retirement, which shall initially deposit the 4 funds into the Florida Retirement System Contributions Clearing Trust Fund. A change in a contribution rate is 5 6 effective the first day of the month for which a full month's 7 employer contribution may be made on or after the beginning date of the change. 8 9 (3) Required employer retirement contribution rates 10 for each membership class and subclass of the Florida Retirement System for both retirement plans are as follows: 11 12 13 Percentage of Percentage of Gross Gross 14 15 Compensation, Compensation, Effective Effective 16 17 Membership Class July 1, <u>2007</u> 2006 July 1, 2008 2007 9.59% 9.55% 18 Regular Class Special Risk Class 19 22.01% 21.96% Special Risk <u>11.90%</u> 12.65% 2.0 21 Administrative 22 Support Class Elected Officers' Class-- % 13.32% 23 14.99% 14.80% Legislators, Governor, 2.4 25 Lt. Governor, 26 Cabinet Officers, 27 State Attorneys, 28 Public Defenders Elected Officers' Class-- <u>%</u> 18.40% 29 20.46% 20.44% 30 Justices, Judges 31

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Elected Officers' Class-- % 15.37% 1 17.15% 17.08% 2 County Elected Officers 13.35% 13.29% 3 Senior Management Class 4 DROP % 9.80% 11.40% 10.89% 5 б (4) The state actuary shall recognize and use an 7 appropriate level of available excess assets of the Florida 8 Retirement System Trust Fund to offset the difference between the normal costs of the Florida Retirement System and the 9 10 statutorily prescribed contribution rates. Section 2. The Legislature finds that a proper and 11 12 legitimate state purpose is served when employees and retirees 13 of the state and its political subdivisions, and the dependents, survivors, and beneficiaries of such employees and 14 retirees, are extended the basic protections afforded by 15 governmental retirement systems. These persons must be 16 17 provided benefits that are fair and adequate and that are managed, administered, and funded in an actuarially sound 18 manner, as required by Section 14, Article X of the State 19 Constitution, and part VII of chapter 112, Florida Statutes. 20 21 Therefore, the Legislature determines and declares that this 2.2 act fulfills an important state interest. 23 Section 3. This act shall take effect July 1, 2007. 2.4 25 26 SENATE SUMMARY Establishes the payroll contribution rates for the Florida Retirement System for the 2007 and 2008 state 27 28 fiscal years. 29 30 31

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