

By the Committee on Governmental Operations

585-2008-07

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A bill to be entitled

An act relating to retirement; 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 required by the estimated gross compensation of members in both plans.

1 (2) Based on the uniform rates set forth in subsection  
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  
5 Clearing Trust Fund. A change in a contribution rate is  
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  
8 date of the change.

9 (3) Required employer retirement contribution rates  
10 for each membership class and subclass of the Florida  
11 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	8.69%	<u>9.59%</u> <del>9.55%</del>
Special Risk Class	19.76%	<u>22.01%</u> <del>21.96%</del>
Special Risk	11.39%	<u>11.90%</u> <del>12.65%</del>
Administrative		
Support Class		
Elected Officers' Class--	13.32%	<u>14.99%</u> <del>14.80%</del>
Legislators, Governor,		
Lt. Governor,		
Cabinet Officers,		
State Attorneys,		
Public Defenders		
Elected Officers' Class--	18.40%	<u>20.46%</u> <del>20.44%</del>
Justices, Judges		

1	Elected Officers' Class--	15.37%	<u>17.15%</u> <del>17.08%</del>
2	County Elected Officers		
3	Senior Management Class	11.96%	<u>13.35%</u> <del>13.29%</del>
4	DROP	9.80%	<u>11.40%</u> <del>10.89%</del>

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6 (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  
9 the normal costs of the Florida Retirement System and the  
10 statutorily prescribed contribution rates.

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

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

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25 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
26 COMMITTEE SUBSTITUTE FOR  
27 Senate Bill 1490

28 The Committee Substitute reinstates the current year pension  
29 plan contribution rates for the Florida Retirement System.  
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