



1 thereafter during his or her lifetime. The normal retirement  
2 benefit, including any past or additional retirement credit,  
3 may not exceed 100 percent of the average final compensation.  
4 The amount of monthly benefit shall be calculated as the  
5 product of A and B, subject to the adjustment of C, if  
6 applicable, as set forth below:

7 (a)1. For creditable years of Regular Class service, A  
8 is 3 1.60 percent of the member's average final compensation,  
9 ~~up to the member's normal retirement date. Upon completion of~~  
10 ~~the first year after the normal retirement date, A is 1.63~~  
11 ~~percent of the member's average final compensation. Following~~  
12 ~~the second year after the normal retirement date, A is 1.65~~  
13 ~~percent of the member's average final compensation. Following~~  
14 ~~the third year after the normal retirement date, and for~~  
15 ~~subsequent years, A is 1.68 percent of the member's average~~  
16 ~~final compensation.~~

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

18 a. Two percent of the member's average final  
19 compensation for all creditable years prior to October 1,  
20 1974;

21 b. Three percent of the member's average final  
22 compensation for all creditable years after September 30,  
23 1974, and before October 1, 1978;

24 c. Two percent of the member's average final  
25 compensation for all creditable years after September 30,  
26 1978, and before January 1, 1989;

27 d. Two and two-tenths percent of the member's final  
28 monthly compensation for all creditable years after December  
29 31, 1988, and before January 1, 1990;

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1 e. Two and four-tenths percent of the member's average  
2 final compensation for all creditable years after December 31,  
3 1989, and before January 1, 1991;

4 f. Two and six-tenths percent of the member's average  
5 final compensation for all creditable years after December 31,  
6 1990, and before January 1, 1992;

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

10 h. Three percent of the member's average final  
11 compensation for all creditable years after December 31, 1992;  
12 and

13 i. Three percent of the member's average final  
14 compensation for all creditable years of service after  
15 September 30, 1978, and before January 1, 1993, for any  
16 special risk member who retires after July 1, 2000, or any  
17 member of the Special Risk Administrative Support Class  
18 entitled to retain the special risk normal retirement date who  
19 was a member of the Special Risk Class during the time period  
20 and who retires after July 1, 2000.

21 3. For creditable years of Senior Management Service  
22 Class service after January 31, 1987, A is 2 percent.+

23 4. For creditable years of Elected Officers' Class  
24 service as a Supreme Court Justice, district court of appeal  
25 judge, circuit judge, or county court judge, A is 3 1/3  
26 percent of the member's average final compensation, and for  
27 all other creditable service in such class, A is 3 percent of  
28 average final compensation.+

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

1           (c) C is the normal retirement benefit credit brought  
2 forward as of November 30, 1970, by a former member of an  
3 existing system. Such normal retirement benefit credit shall  
4 be determined as the product of X and Y when X is the  
5 percentage of average final compensation which the member  
6 would have been eligible to receive if the member had attained  
7 his or her normal retirement date as of November 30, 1970, all  
8 in accordance with the existing system under which the member  
9 is covered on November 30, 1970, and Y is average final  
10 compensation as defined in s. 121.021(25). However, any  
11 member of an existing retirement system who is eligible to  
12 retire and who does retire, become disabled, or die prior to  
13 April 15, 1971, may have his or her retirement benefits  
14 calculated on the basis of the best 5 of the last 10 years of  
15 service.

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

19           Section 2. It is the intent of the Legislature that  
20 costs attributable to benefit increases for Regular Class  
21 members of the Florida Retirement System be funded by  
22 recognition of lump sums from the excess actuarial assets of  
23 the Florida Retirement System Trust Fund as follows:

24           (1) For the 2007-2008 fiscal year, the lump sum to be  
25 recognized shall be the lesser of:

26           (a) The amount available under the rate stabilization  
27 mechanism described in s. 121.031, Florida Statutes; or

28           (b) The amount needed to pay the annual cost  
29 attributable to the increased benefit accrual rate for Regular  
30 Class members. The annual cost shall consist of the increase  
31 in normal cost for Regular Class members plus payment of the

1 30-year amortization amount of the increase in the actuarial  
2 accrued liability attributable to the increase, equal to 2.04  
3 percent of the Regular Class member payroll. If, after the  
4 recognition of excess actuarial assets pursuant to this  
5 subsection, there remains an unfunded cost, the contribution  
6 rate applicable to Regular Class members shall be increased by  
7 the difference between the annual cost and the amount provided  
8 by the excess actuarial assets, unless the Legislature  
9 provides an alternate funding mechanism.

10 (2) For fiscal years beginning with 2008-2009, the  
11 Legislature shall, as provided in subsection (1), continue to  
12 fund on an ongoing basis the annual cost attributable to the  
13 formula improvements.

14 Section 3. The Legislature finds that a proper and  
15 legitimate state purpose is served when employees and retirees  
16 of the state and of its political subdivisions, and the  
17 dependents, survivors, and beneficiaries of such employees and  
18 retirees, are extended the basic protections afforded by  
19 governmental systems that provide fair and adequate benefits  
20 that are managed, administered, and funded in an actuarially  
21 sound manner, as required by s. 14, Art. 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 4. This act shall take effect July 1, 2007.

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28 SENATE SUMMARY

29 Increases the basic benefit for members of the Regular  
30 Class of the Florida Retirement System and repeals the  
31 incremental increase in benefit when a member serves  
beyond his or her normal retirement date.