

585-469-07

1 A bill to be entitled
2 An act relating to retirement; amending s.
3 121.71, F.S.; revising the payroll contribution
4 rates for the membership classes of the Florida
5 Retirement System for the state fiscal years
6 effective July 1, 2007, and July 1, 2008;
7 providing a declaration of important state
8 interest; providing an effective date.
9

10 Be It Enacted by the Legislature of the State of Florida:
11

12 Section 1. Section 121.71, Florida Statutes, is
13 amended to read:

14 121.71 Uniform rates; process; calculations; levy.--

15 (1) In conducting the system actuarial study required
16 under s. 121.031, the actuary shall follow all requirements
17 specified thereunder to determine, by Florida Retirement
18 System employee membership class, the dollar contribution
19 amounts necessary for the forthcoming fiscal year for the
20 defined benefit program. In addition, the actuary shall
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
24 retirement program, the dollar contribution amounts necessary
25 to make the allocations required under ss. 121.72 and 121.73.
26 For each employee membership class and subclass, the actuarial
27 study shall establish a uniform rate necessary to fund the
28 benefit obligations under both Florida Retirement System
29 retirement plans, by dividing the sum of total dollars
30 required by the estimated gross compensation of members in
31 both plans.

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

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

Membership Class	Percentage of Gross Compensation, Effective July 1, 2006 <u>2007</u>	Percentage of Gross Compensation, Effective July 1, 2007 <u>2008</u>
Regular Class	8.69% <u>9.59%</u>	9.55%
Special Risk Class	19.76% <u>22.01%</u>	21.96%
Special Risk Administrative Support Class	11.39% <u>11.90%</u>	12.65%
Elected Officers' Class-- Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	13.32% <u>14.99%</u>	14.80%
Elected Officers' Class-- Justices, Judges	18.40% <u>20.46%</u>	20.44%

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

5
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.

24
25 *****

26 SENATE SUMMARY

27 Establishes the payroll contribution rates for the
28 Florida Retirement System for the 2007 and 2008 state
29 fiscal years.
30
31