

By the Committee on Governmental Operations

585-04033-08

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1 A bill to be entitled

2 An act relating to retirement; amending s. 121.71, F.S.;

3 revising the payroll contribution rates for the membership

4 classes of the Florida Retirement System for the state

5 fiscal years effect July 1, 2008, and July 1, 2009;

6 providing a declaration of important state interest;

7 providing an effective date.

8

9 Be It Enacted by the Legislature of the State of Florida:

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11 Section 1. Section 121.71, Florida Statutes, is amended to

12 read:

13 121.71 Uniform rates; process; calculations; levy.--

14 (1) In conducting the system actuarial study required under

15 s. 121.031, the actuary shall follow all requirements specified

16 thereunder to determine, by Florida Retirement System employee

17 membership class, the dollar contribution amounts necessary for

18 the forthcoming fiscal year for the defined benefit program. In

19 addition, the actuary shall determine, by Florida Retirement

20 System membership class, based on an estimate for the forthcoming

21 fiscal year of the gross compensation of employees participating

22 in the optional retirement program, the dollar contribution

23 amounts necessary to make the allocations required under ss.

24 121.72 and 121.73. For each employee membership class and

25 subclass, the actuarial study shall establish a uniform rate

26 necessary to fund the benefit obligations under both Florida

27 Retirement System retirement plans, by dividing the sum of total

28 dollars required by the estimated gross compensation of members

29 in both plans.

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

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

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2008</u> 2007	Percentage of Gross Compensation, Effective July 1, <u>2009</u> 2008
Regular Class	8.69%	<u>8.69%</u> 9.59%
Special Risk Class	19.76%	<u>19.76%</u> 22.01%
Special Risk Administrative Support Class	11.39%	<u>11.39%</u> 11.90%
Elected Officers' Class - Legislators, Governor, Lt. Governor,	13.32%	<u>13.32%</u> 14.99%

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45	Cabinet Officers, State Attorneys, Public Defenders		
	Elected Officers' Class -	18.40%	<u>18.40%</u> 20.46%
46	Justices, Judges		
	Elected Officers' Class -	15.37%	<u>15.37%</u> 17.15%
47	County Elected Officers		
	Senior Management Class	11.96%	<u>11.96%</u> 13.35%
48			
	DROP	<u>10.89%</u> 9.80%	<u>10.89%</u> 10.89%
49			
50			

51 (4) The state actuary shall recognize and use an
 52 appropriate level of available excess assets of the Florida
 53 Retirement System Trust Fund to offset the difference between the
 54 normal costs of the Florida Retirement System and the statutorily
 55 prescribed contribution rates.

56 Section 2. The Legislature finds that a proper and
 57 legitimate state purpose is served when employees and retirees of
 58 the state and its political subdivisions, and the dependents,
 59 survivors, and beneficiaries of such employees and retirees, are
 60 extended the basic protections afforded by governmental

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61 | retirement systems. These persons must be provided benefits that
62 | are fair and adequate and that are managed, administered, and
63 | funded in an actuarially sound manner, as required by Section 14,
64 | Article X of the State Constitution, and part VII of chapter 112,
65 | Florida Statutes. Therefore, the Legislature determines and
66 | declares that this act fulfills an important state interest.

67 | Section 3. This act shall take effect July 1, 2008.