

By the Committees on Governmental Operations; Governmental  
Operations

585-05412-08

20082002c1

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 effective 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:

10

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.

585-05412-08

20082002c1

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

585-05412-08

20082002c1

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

585-05412-08

20082002c1

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.