

HB 5063

2008

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.

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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
15 under s. 121.031, the actuary shall follow all requirements
16 specified thereunder to determine, by Florida Retirement System
17 employee membership class, the dollar contribution amounts
18 necessary for the forthcoming fiscal year for the defined
19 benefit program. In addition, the actuary shall determine, by
20 Florida Retirement System membership class, based on an estimate
21 for the forthcoming fiscal year of the gross compensation of
22 employees participating in the optional retirement program, the
23 dollar contribution amounts necessary to make the allocations
24 required under ss. 121.72 and 121.73. For each employee
25 membership class and subclass, the actuarial study shall
26 establish a uniform rate necessary to fund the benefit
27 obligations under both Florida Retirement System retirement

28 plans, by dividing the sum of total dollars required by the
 29 estimated gross compensation of members in both plans.

30 (2) Based on the uniform rates set forth in subsection
 31 (3), employers shall make monthly contributions to the Division
 32 of 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:

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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>9.55</u> 9.59 %
Special Risk Class	19.76%	<u>21.93</u> 22.01 %
Special Risk Administrative Support Class	11.39%	<u>11.94</u> 11.90 %
Elected Officers'	13.32%	<u>14.20</u> 14.99 %

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Class -
 Legislators,
 Governor,
 Lt. Governor,
 Cabinet
 Officers,
 State Attorneys,
 Public Defenders

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Elected Officers'	18.40%	<u>20.30</u> 20.46%
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Class -
 Justices, Judges

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Elected Officers'	15.37%	<u>16.94</u> 17.15%
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Class -
 County Elected
 Officers

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Senior Management	11.96%	<u>12.92</u> 13.35%
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Class

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DROP	9.80%	<u>10.96</u> 10.89%
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(4) The state actuary shall recognize and use an appropriate level of available excess assets of the Florida Retirement System Trust Fund to offset the difference between the normal costs of the Florida Retirement System and the statutorily prescribed contribution rates.

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55 Section 2. The Legislature finds that a proper and
56 legitimate state purpose is served when employees and retirees
57 of the state and its political subdivisions, and the dependents,
58 survivors, and beneficiaries of such employees and retirees, are
59 extended the basic protections afforded by governmental
60 retirement systems. These persons must be provided benefits that
61 are fair and adequate and that are managed, administered, and
62 funded in an actuarially sound manner, as required by Section
63 14, Article X of the State Constitution, and part VII of chapter
64 112, Florida Statutes. Therefore, the Legislature determines and
65 declares that this act fulfills an important state interest.

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