

By Senator Lawson

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1 A bill to be entitled
2 An act relating to the Florida Retirement System;
3 amending s. 121.021, F.S.; redefining the term
4 "average final compensation" with respect to the
5 system; amending s. 121.091, F.S.; conforming a
6 provision relating to calculation of the monthly
7 normal retirement benefit; providing an effective
8 date.

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

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12 Section 1. Subsection (24) of section 121.021, Florida
13 Statutes, is amended to read:

14 121.021 Definitions.—The following words and phrases as
15 used in this chapter have the respective meanings set forth
16 unless a different meaning is plainly required by the context:

17 (24) "Average final compensation" means the average of the
18 3 ~~5~~ highest fiscal years of compensation for creditable service
19 prior to retirement, termination, or death. For in-line-of-duty
20 disability benefits, if less than 3 ~~5~~ years of creditable
21 service have been completed, the term "average final
22 compensation" means the average annual compensation of the total
23 number of years of creditable service. Each year used in the
24 calculation of average final compensation shall commence on July
25 1.

26 (a) The average final compensation shall include:

27 1. Accumulated annual leave payments, not to exceed 500
28 hours; and

29 2. All payments defined as compensation in subsection (22).

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30 (b) The average final compensation shall not include:

31 1. Compensation paid to professional persons for special or
32 particular services;

33 2. Payments for accumulated sick leave made due to
34 retirement or termination;

35 3. Payments for accumulated annual leave in excess of 500
36 hours;

37 4. Bonuses as defined in subsection (47);

38 5. Third party payments made on and after July 1, 1990; or

39 6. Fringe benefits (for example, automobile allowances or
40 housing allowances).

41 Section 2. Paragraph (d) of subsection (1) of section
42 121.091, Florida Statutes, is amended to read:

43 121.091 Benefits payable under the system.—Benefits may not
44 be paid under this section unless the member has terminated
45 employment as provided in s. 121.021(39)(a) or begun
46 participation in the Deferred Retirement Option Program as
47 provided in subsection (13), and a proper application has been
48 filed in the manner prescribed by the department. The department
49 may cancel an application for retirement benefits when the
50 member or beneficiary fails to timely provide the information
51 and documents required by this chapter and the department's
52 rules. The department shall adopt rules establishing procedures
53 for application for retirement benefits and for the cancellation
54 of such application when the required information or documents
55 are not received.

56 (1) NORMAL RETIREMENT BENEFIT.—Upon attaining his or her
57 normal retirement date, the member, upon application to the
58 administrator, shall receive a monthly benefit which shall begin

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59 to accrue on the first day of the month of retirement and be
60 payable on the last day of that month and each month thereafter
61 during his or her lifetime. The normal retirement benefit,
62 including any past or additional retirement credit, may not
63 exceed 100 percent of the average final compensation. The amount
64 of monthly benefit shall be calculated as the product of A and
65 B, subject to the adjustment of C, if applicable, as set forth
66 below:

67 (d) A member's average final compensation shall be
68 determined by formula to obtain the coverage for the 3 ~~5~~ highest
69 fiscal years' salaries, calculated as provided by rule.

70 Section 3. This act shall take effect July 1, 2009.