



207418

LEGISLATIVE ACTION

Senate	.	House
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Floor: AD/CR	.	
05/08/2009 12:49 PM	.	
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The Conference Committee on CS for SB 1802 recommended the following:

Senate Conference Committee Amendment (with title amendment)

Delete everything after the enacting clause and insert:

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

121.71 Uniform rates; process; calculations; levy.—

(1) In conducting the system actuarial study required under s. 121.031, the actuary shall follow all requirements specified thereunder to determine, by Florida Retirement System employee



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12 membership class, the dollar contribution amounts necessary for
13 the forthcoming fiscal year for the defined benefit program. In
14 addition, the actuary shall determine, by Florida Retirement
15 System membership class, based on an estimate for the
16 forthcoming fiscal year of the gross compensation of employees
17 participating in the optional retirement program, the dollar
18 contribution amounts necessary to make the allocations required
19 under ss. 121.72 and 121.73. For each employee membership class
20 and subclass, the actuarial study shall establish a uniform rate
21 necessary to fund the benefit obligations under both Florida
22 Retirement System retirement plans, by dividing the sum of total
23 dollars required by the estimated gross compensation of members
24 in both plans.

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

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

	Percentage of Gross Compensation, Effective July 1, <u>2009</u> 2008	Percentage of Gross Compensation, Effective July 1, <u>2010</u> 2009
Membership Class		

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36	Regular Class	8.69%	<u>9.63%</u> 9.60%
37	Special Risk Class	19.76%	<u>22.11%</u> 22.03%
	Special Risk Administrative Support Class	11.39%	<u>12.10%</u> 11.98%
38	Elected Officers' Class - Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	13.32%	<u>15.20%</u> 14.56%
39	Elected Officers' Class - Justices, Judges	18.40%	<u>20.65%</u> 20.37%
40	Elected Officers' Class - County Elected Officers	15.37%	<u>17.50%</u> 17.06%
41	Senior Management Class	11.96%	<u>13.43%</u> 13.36%
42	DROP	9.80%	<u>11.14%</u> 10.96%

43
 44 (4) The state actuary shall recognize and use an
 45 appropriate level of available excess assets of the Florida
 46 Retirement System Trust Fund to offset the difference between
 47 the normal costs of the Florida Retirement System and the



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48 statutorily prescribed contribution rates.

49 Section 2. As part of the actuarial study required by s.
50 121.031(3), Florida Statutes, based on the results of June 30,
51 2009, the administrator of the Florida Retirement System shall
52 contract with the state actuary to conduct an actuarial study of
53 the Florida Retirement System which considers the following
54 methods of funding the Deferred Retirement Option Program:

55 (1) Through a separate contribution rate regardless of the
56 participant's membership class, which has been the method
57 through the 2008 valuation;

58 (2) Treat participants as retirees such that the payroll
59 associated with the participants is not used to develop the
60 contribution rates for the respective membership class, and the
61 employer is not required to make contributions on such payroll
62 except for unfunded actuarial liability contributions; and

63 (3) Treat participants as active members such that the
64 payroll associated with the participants is used to develop the
65 contribution rates for the respective membership class, and the
66 employer is required to make contributions on the payroll at the
67 same contribution rate as the employer pays for an active member
68 of the applicable class.

69 Section 3. The Legislature finds that a proper and
70 legitimate state purpose is served when employees and retirees
71 of the state and its political subdivisions, and the dependents,
72 survivors, and beneficiaries of such employees and retirees, are
73 extended the basic protections afforded by governmental
74 retirement systems. These persons must be provided benefits that
75 are fair and adequate and that are managed, administered, and
76 funded in an actuarially sound manner, as required by s. 14,



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77 Article X of the State Constitution and part VII of chapter 112,
78 Florida Statutes. Therefore, the Legislature determines and
79 declares that this act fulfills an important state interest.

80 Section 4. This act shall take effect July 1, 2009.

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82 ===== T I T L E A M E N D M E N T =====

83 And the title is amended as follows:

84 Delete everything before the enacting clause

85 and insert:

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A bill to be entitled

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An act relating to retirement; amending s. 121.71,

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F.S.; revising the payroll contribution rates for the

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membership classes of the Florida Retirement System

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for the state fiscal years effective July 1, 2009, and

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July 1, 2010; requiring the state actuary to consider

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additional factors when conducting the annual

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actuarial study of the State Retirement System;

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specifying the factors to be considered; providing a

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declaration of important state interest; providing an

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effective date.