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2 An act relating to retirement; amending s. 121.71,  
3 F.S.; revising the payroll contribution rates for the  
4 membership classes of the Florida Retirement System  
5 for the state fiscal years effective July 1, 2009, and  
6 July 1, 2010; requiring the state actuary to consider  
7 additional factors when conducting the annual  
8 actuarial study of the State Retirement System;  
9 specifying the factors to be considered; providing a  
10 declaration of important state interest; providing an  
11 effective date.

12  
13 Be It Enacted by the Legislature of the State of Florida:

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

17 121.71 Uniform rates; process; calculations; levy.—

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

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30 necessary to fund the benefit obligations under both Florida  
31 Retirement System retirement plans, by dividing the sum of total  
32 dollars required by the estimated gross compensation of members  
33 in both plans.

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

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

Membership Class	Percentage of Gross Compensation, Effective July 1,		Percentage of Gross Compensation, Effective July 1,	
	<u>2009</u> <del>2008</del>		<u>2010</u> <del>2009</del>	
Regular Class	8.69%		<u>9.63%</u> <del>9.60%</del>	
Special Risk Class	19.76%		<u>22.11%</u> <del>22.03%</del>	
Special Risk Administrative Support Class	11.39%		<u>12.10%</u> <del>11.98%</del>	
Elected Officers' Class -	13.32%		<u>15.20%</u> <del>14.56%</del>	

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

48	Elected Officers' Class - Justices, Judges	18.40%	<u>20.65%</u> <del>20.37%</del>
49	Elected Officers' Class - County Elected Officers	15.37%	<u>17.50%</u> <del>17.06%</del>
50	Senior Management Class	11.96%	<u>13.43%</u> <del>13.36%</del>
51	DROP	9.80%	<u>11.14%</u> <del>10.96%</del>

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

58 Section 2. As part of the actuarial study required by s.  
59 121.031(3), Florida Statutes, based on the results of June 30,  
60 2009, the administrator of the Florida Retirement System shall  
61 contract with the state actuary to conduct an actuarial study of  
62 the Florida Retirement System which considers the following  
63 methods of funding the Deferred Retirement Option Program:

64 (1) Through a separate contribution rate regardless of the  
65 participant's membership class, which has been the method

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66 through the 2008 valuation;

67 (2) Treat participants as retirees such that the payroll  
68 associated with the participants is not used to develop the  
69 contribution rates for the respective membership class, and the  
70 employer is not required to make contributions on such payroll  
71 except for unfunded actuarial liability contributions; and

72 (3) Treat participants as active members such that the  
73 payroll associated with the participants is used to develop the  
74 contribution rates for the respective membership class, and the  
75 employer is required to make contributions on the payroll at the  
76 same contribution rate as the employer pays for an active member  
77 of the applicable class.

78 Section 3. The Legislature finds that a proper and  
79 legitimate state purpose is served when employees and retirees  
80 of the state and its political subdivisions, and the dependents,  
81 survivors, and beneficiaries of such employees and retirees, are  
82 extended the basic protections afforded by governmental  
83 retirement systems. These persons must be provided benefits that  
84 are fair and adequate and that are managed, administered, and  
85 funded in an actuarially sound manner, as required by s. 14,  
86 Article X of the State Constitution and part VII of chapter 112,  
87 Florida Statutes. Therefore, the Legislature determines and  
88 declares that this act fulfills an important state interest.

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