

By the Committee on Governmental Oversight and Accountability

585-02109-09

20091832__

1 A bill to be entitled
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; providing a declaration of important
7 state interest; 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
21 forthcoming fiscal year of the gross compensation of employees
22 participating in the optional retirement program, the dollar
23 contribution amounts necessary to make the allocations required
24 under ss. 121.72 and 121.73. For each employee membership class
25 and 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.

585-02109-09

20091832__

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>2009</u> 2008 | Percentage of Gross Compensation, Effective July 1, <u>2010</u> 2009 |
|---|---|---|
| Regular Class | <u> </u> 8.69% | 9.60% |
| Special Risk Class | <u> </u> 19.76% | 22.03% |
| Special Risk Administrative Support Class | <u> </u> 11.39% | 11.98% |
| Elected Officers' Class - Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, | <u> </u> 13.32% | 14.56% |

585-02109-09

20091832__

Public Defenders

44

Elected Officers' Class -

| | | |
|------------------|-------------------------|--------|
| Justices, Judges | _____ 18.40% | 20.37% |
|------------------|-------------------------|--------|

45

Elected Officers' Class -

| | | |
|-------------------------|-------------------------|--------|
| County Elected Officers | _____ 15.37% | 17.06% |
|-------------------------|-------------------------|--------|

46

Senior Management Class

| | |
|-------------------------|--------|
| _____ 11.96% | 13.36% |
|-------------------------|--------|

47

DROP

| | |
|------------------------|--------|
| _____ 9.80% | 10.96% |
|------------------------|--------|

48

49

50

(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.

54

55

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

56

57

58

59

60

61

62

63

64

65

585-02109-09

20091832__

66

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