

By the Committees on Governmental Oversight and Accountability;
and Governmental Oversight and Accountability

585-02706-09

20091832c1

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; amending ss. 20.22, 121.021, 121.025,
8 and 121.1905, F.S.; transferring the Division of
9 Retirement and all related powers and duties from the
10 Department of Management Services to the State Board
11 of Administration; directing the Division of Statutory
12 Revision to prepare a bill for consideration by the
13 Legislature conforming provisions of the Florida
14 Statutes to changes made by the act; providing an
15 effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Section 121.71, Florida Statutes, is amended to
20 read:

21 121.71 Uniform rates; process; calculations; levy.—

22 (1) In conducting the system actuarial study required under
23 s. 121.031, the actuary shall follow all requirements specified
24 thereunder to determine, by Florida Retirement System employee
25 membership class, the dollar contribution amounts necessary for
26 the forthcoming fiscal year for the defined benefit program. In
27 addition, the actuary shall determine, by Florida Retirement
28 System membership class, based on an estimate for the
29 forthcoming fiscal year of the gross compensation of employees

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30 participating in the optional retirement program, the dollar
 31 contribution amounts necessary to make the allocations required
 32 under ss. 121.72 and 121.73. For each employee membership class
 33 and subclass, the actuarial study shall establish a uniform rate
 34 necessary to fund the benefit obligations under both Florida
 35 Retirement System retirement plans, by dividing the sum of total
 36 dollars required by the estimated gross compensation of members
 37 in both plans.

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

45 (3) Required employer retirement contribution rates for
 46 each membership class and subclass of the Florida Retirement
 47 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	8.69%	<u>9.63%</u> 9.60%
Special Risk Class	19.76%	<u>22.11%</u> 22.03%
Special Risk	11.39%	<u>12.10%</u> 11.98%

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Administrative
Support Class

51

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

13.32% 15.20% ~~14.56%~~

52

Elected Officers' Class -
Justices, Judges

18.40% 20.65% ~~20.37%~~

53

Elected Officers' Class -
County Elected Officers

15.37% 17.50% ~~17.06%~~

54

Senior Management Class

11.96% 13.43% ~~13.36%~~

55

DROP

9.80% 10.96%

56

57 (4) The state actuary shall recognize and use an
58 appropriate level of available excess assets of the Florida
59 Retirement System Trust Fund to offset the difference between
60 the normal costs of the Florida Retirement System and the
61 statutorily prescribed contribution rates.

62 Section 2. The Legislature finds that a proper and
63 legitimate state purpose is served when employees and retirees
64 of the state and its political subdivisions, and the dependents,
65 survivors, and beneficiaries of such employees and retirees, are

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66 extended the basic protections afforded by governmental
67 retirement systems. These persons must be provided benefits that
68 are fair and adequate and that are managed, administered, and
69 funded in an actuarially sound manner, as required by Section
70 14, Article X of the State Constitution and part VII of chapter
71 112, Florida Statutes. Therefore, the Legislature determines and
72 declares that this act fulfills an important state interest.

73 Section 3. Subsection (2) of section 20.22, Florida
74 Statutes, is amended to read:

75 20.22 Department of Management Services.—There is created a
76 Department of Management Services.

77 (2) The following divisions and programs within the
78 Department of Management Services are established:

- 79 (a) Facilities Program.
80 (b) Technology Program.
81 (c) Workforce Program.
82 (d)1. Support Program.
83 2. Federal Property Assistance Program.
84 (e) Administration Program.
85 (f) Division of Administrative Hearings.
86 ~~(g) Division of Retirement.~~
87 (g)~~(h)~~ Division of State Group Insurance.

88 Section 4. Subsection (4) of section 121.021, Florida
89 Statutes, is amended to read:

90 121.021 Definitions.—The following words and phrases as
91 used in this chapter have the respective meanings set forth
92 unless a different meaning is plainly required by the context:

93 (4) "Department" means the State Board of Administration
94 ~~Department of Management Services.~~

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95 Section 5. Section 121.025, Florida Statutes, is amended to
96 read:

97 121.025 Administrator; powers and duties.—The executive
98 director of the State Board of Administration ~~secretary of the~~
99 ~~Department of Management Services~~ shall be the administrator of
100 the retirement and pension systems assigned or transferred to
101 the State Board of Administration ~~Department of Management~~
102 ~~Services by law~~ and shall ~~have the authority to sign~~ all the
103 contracts necessary to carry out the duties and responsibilities
104 assigned by law to the state board relating to such systems
105 ~~Department of Management Services~~.

106 Section 6. Subsection (1) of section 121.1905, Florida
107 Statutes, is amended to read:

108 121.1905 Division of Retirement; creation.—

109 (1) There is created the Division of Retirement within the
110 State Board of Administration, which shall be responsible for
111 all powers and duties relating to the Florida Retirement System
112 ~~Department of Management Services~~.

113 Section 7. The Division of Retirement is transferred from
114 the Department of Management Services to the State Board of
115 Administration by a type two transfer pursuant to s. 20.06,
116 Florida Statutes.

117 Section 8. Pursuant to s. 11.242, Florida Statutes, the
118 Division of Statutory Revision of the Office of Legislative
119 Services is directed to prepare a reviser's bill for
120 consideration by the 2010 Regular Session of the Legislature to
121 conform the Florida Statutes to the provisions of this act.

122 Section 9. This act shall take effect July 1, 2009.