

By the Committee on Governmental Oversight and Accountability;  
and Senator Baker

585-05282-10

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1                   A bill to be entitled  
2           An act relating to retirement; amending s. 121.0515,  
3           F.S.; authorizing certain employees to purchase the  
4           retirement credit for past service at a 3 percent  
5           Special Risk Class accrual value; providing  
6           requirements for calculating the first 2 percent of a  
7           member's average monthly compensation for purposes of  
8           purchasing past service credit; providing requirements  
9           for purchasing past service credit in excess of 2  
10          percent but not to exceed 3 percent of the member's  
11          average monthly compensation; providing requirements  
12          for calculating the contribution amount; requiring the  
13          employer to pay the costs for performing the  
14          calculation; requiring the contribution for past  
15          service credit to be paid immediately upon  
16          notification by the Division of Retirement; providing  
17          that past service credit may be purchased by the  
18          member or by the employer on behalf of the member;  
19          providing a declaration of important state interest;  
20          providing an effective date.

21  
22   Be It Enacted by the Legislature of the State of Florida:

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24           Section 1. Subsection (5) of section 121.0515, Florida  
25           Statutes, is amended to read:

26           121.0515 Special risk membership.—

27           (5) CREDIT FOR PAST SERVICE.—A special risk member may  
28           purchase retirement credit in the Special Risk Class based upon  
29           past service, and may upgrade retirement credit for such past

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30 service, to the extent of 3 ~~2~~ percent of the member's average  
31 monthly compensation as specified in s. 121.091(1)(a) for such  
32 service as follows:

33 (a) The member may purchase special risk credit for past  
34 service with a city or special district which has elected to  
35 join the Florida Retirement System, or with a participating  
36 agency to which a member's governmental unit was transferred,  
37 merged, or consolidated as provided in s. 121.081(1)(f), if the  
38 member was employed with the city or special district at the  
39 time it commenced participating in the Florida Retirement System  
40 or with the governmental unit at the time of its transfer,  
41 merger, or consolidation with the participating agency. The  
42 service must satisfy the criteria set forth in subsection (2)  
43 for special risk membership as a law enforcement officer, a  
44 firefighter, a ~~ex~~ correctional officer, or an emergency medical  
45 technician or paramedic whose employer was a licensed advanced  
46 life support or basic life support provider; however, no  
47 certificate or waiver of certificate of compliance with s.  
48 943.1395 or s. 633.35 shall be required for such service.

49 (b) Contributions for upgrading the first 2 percent of the  
50 member's average monthly compensation for the additional special  
51 risk credit pursuant to this subsection shall be equal to the  
52 difference in the contributions paid and the special risk  
53 percentage rate of gross salary in effect at the time of  
54 purchase for the period being claimed, plus interest thereon at  
55 the rate of 4 percent a year compounded annually from the date  
56 of such service until July 1, 1975, and 6.5 percent a year  
57 thereafter until the date of payment. This past service may be  
58 purchased by the member or by the employer on behalf of the

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59 member.

60 (c) Contributions for upgrading additional special risk  
61 credit in excess of 2 percent but not to exceed 3 percent of the  
62 member's average monthly compensation shall be an amount  
63 representing the actuarial accrued liability for the difference  
64 in accrual value during the period of service for which credit  
65 is being purchased. Contributions shall be calculated by an  
66 actuary designated by the department using the discount rate and  
67 other relevant actuarial assumptions that were used to value the  
68 Florida Retirement System defined benefit plan liabilities in  
69 the most recent actuarial valuation. Before such calculations  
70 are performed, the employer shall pay the division \$400 per  
71 calculation or all costs associated with an actuarial study to  
72 determine the contribution, whichever is higher, regardless of  
73 whether the credit upgrade is purchased. The contribution for  
74 the service credit being purchased must be paid by the member or  
75 by the employer on behalf of the member immediately upon  
76 notification by the division.

77 Section 2. The Legislature finds that a proper and  
78 legitimate state purpose is served when employees and retirees  
79 of the state and of its political subdivisions, and the  
80 dependents, survivors, and beneficiaries of such employees and  
81 retirees, are extended the basic protections afforded by  
82 governmental retirement systems that provide fair and adequate  
83 benefits and that are managed, administered, and funded in an  
84 actuarially sound manner as required by s. 14, Article X of the  
85 State Constitution and part VII of chapter 112, Florida  
86 Statutes. Therefore, the Legislature determines and declares  
87 that the provisions of this act fulfill an important state

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88 interest.

89 Section 3. This act shall take effect July 1, 2010.