

By Senator Hill

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1 A bill to be entitled
2 An act relating to governmental retirement systems;
3 amending ss. 112.61 and 112.62, F.S.; clarifying that
4 part VII of ch. 112. F.S., relating to the actuarial
5 soundness of retirement systems, applies to all public
6 employee retirement systems; amending s. 112.661,
7 F.S.; clarifying that the assets of a local retirement
8 system may be invested like other public moneys
9 available for investment by the State Board of
10 Administration; providing an effective date.

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

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14 Section 1. Section 112.61, Florida Statutes, is amended to
15 read:

16 112.61 Legislative intent.—It is the intent of the
17 Legislature in implementing the provisions of s. 14, Art. X of
18 the State Constitution, relating to governmental retirement
19 systems, that such retirement systems or plans be managed,
20 administered, operated, and funded ~~in such a manner as~~ to
21 maximize the protection of public employee retirement benefits.
22 Inherent in this intent is the recognition that the pension
23 liabilities attributable to the benefits promised public
24 employees be fairly, orderly, and equitably funded by the
25 current, as well as future, taxpayers. Accordingly, except as
26 herein provided, it is the intent of the Legislature ~~this act~~ to
27 prohibit the use of any procedure, methodology, or assumptions
28 the effect of which is to transfer to future taxpayers any
29 portion of the costs which may reasonably have been expected to

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30 be paid by the current taxpayers. Actuarial experience may be
31 used to fund additional benefits if, ~~provided that~~ the present
32 value of such benefits does not exceed the net actuarial
33 experience accumulated from all sources of gains and losses.
34 This part ~~act~~ hereby establishes minimum standards for the
35 operation and funding of all public employee retirement systems
36 and plans.

37 Section 2. Section 112.62, Florida Statutes, is amended to
38 read:

39 112.62 Application.—The provisions of this part are
40 applicable to ~~any and~~ all units, agencies, branches,
41 departments, boards, and institutions of state, county, special
42 district, and municipal governments that ~~which~~ participate in,
43 operate, or administer a retirement system or plan for public
44 employees, funded in whole or in part by public funds. The
45 provisions of this part supplement and, to the extent there are
46 conflicts, prevail over ~~the provisions of~~ existing laws and
47 local ordinances relating to such retirement systems or plans.

48 Section 3. Paragraph (a) of subsection (5) of section
49 112.661, Florida Statutes, is amended to read:

50 112.661 Investment policies.—Investment of the assets of
51 any local retirement system or plan must be consistent with a
52 written investment policy adopted by the board. Such policies
53 shall be structured to maximize the financial return to the
54 retirement system or plan consistent with the risks incumbent in
55 each investment and shall be structured to establish and
56 maintain an appropriate diversification of the retirement system
57 or plan's assets.

58 (5) AUTHORIZED INVESTMENTS.—

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59 (a) The investment policy must ~~shall~~ list investments
60 authorized by the board. Investments not listed in the
61 investment policy are prohibited. ~~Unless otherwise authorized by~~
62 ~~law or ordinance,~~ The investment of the assets of any local
63 retirement system or plan covered by this part is ~~shall be~~
64 subject to the limitations and conditions ~~set forth~~ in s.
65 215.47(1)-(6), (8), (9), (11) and (17).

66 Section 4. This act shall take effect July 1, 2010.