

By Senator Lawson

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1                                   A bill to be entitled  
 2           An act relating to the Florida Retirement System;  
 3           amending s. 121.021, F.S.; redefining the term  
 4           "average final compensation" to reduce the number of  
 5           years of creditable service used to calculate such  
 6           compensation; amending s. 121.091, F.S.; conforming a  
 7           provision relating to the calculation of the monthly  
 8           normal retirement benefit; providing an effective  
 9           date.

10  
 11 Be It Enacted by the Legislature of the State of Florida:

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 13           Section 1. Subsection (24) of section 121.021, Florida  
 14           Statutes, is amended to read:

15           121.021 Definitions.—The following words and phrases as  
 16           used in this chapter have the respective meanings set forth  
 17           unless a different meaning is plainly required by the context:

18           (24) "Average final compensation" means the average of the  
 19           3 ~~5~~ highest fiscal years of compensation for creditable service  
 20           prior to retirement, termination, or death. For in-line-of-duty  
 21           disability benefits, if less than 3 ~~5~~ years of creditable  
 22           service have been completed, the term "~~average final~~  
 23           ~~compensation~~" means the average annual compensation of the total  
 24           number of years of creditable service. Each year used in the  
 25           calculation of average final compensation commences ~~shall~~  
 26           ~~commence~~ on July 1.

27           (a) The average final compensation includes ~~shall include~~:

28           1. Accumulated annual leave payments, up to ~~not to exceed~~  
 29           500 hours; and

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30 2. All payments defined as compensation ~~in subsection (22)~~.

31 (b) The average final compensation does ~~shall~~ not include:

32 1. Compensation paid to professional persons for special or  
33 particular services;

34 2. Payments for accumulated sick leave made due to  
35 retirement or termination;

36 3. Payments for accumulated annual leave greater than ~~in~~  
37 ~~excess of~~ 500 hours;

38 4. Bonuses ~~as defined in subsection (47)~~;

39 5. Third-party ~~Third party~~ payments made on and after July  
40 1, 1990; or

41 6. Fringe benefits, such as ~~(for example,~~ automobile  
42 allowances or housing allowances).

43 Section 2. Paragraph (d) of subsection (1) of section  
44 121.091, Florida Statutes, is amended to read:

45 121.091 Benefits payable under the system.—Benefits may not  
46 be paid under this section unless the member has terminated  
47 employment as provided in s. 121.021(39)(a) or begun  
48 participation in the Deferred Retirement Option Program as  
49 provided in subsection (13), and a proper application has been  
50 filed in the manner prescribed by the department. The department  
51 may cancel an application for retirement benefits when the  
52 member or beneficiary fails to timely provide the information  
53 and documents required by this chapter and the department's  
54 rules. The department shall adopt rules establishing procedures  
55 for application for retirement benefits and for the cancellation  
56 of such application when the required information or documents  
57 are not received.

58 (1) NORMAL RETIREMENT BENEFIT.—Upon attaining his or her

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59 normal retirement date, the member, upon application to the  
60 administrator, shall receive a monthly benefit which shall begin  
61 to accrue on the first day of the month of retirement and be  
62 payable on the last day of that month and each month thereafter  
63 during his or her lifetime. The normal retirement benefit,  
64 including any past or additional retirement credit, may not  
65 exceed 100 percent of the average final compensation. The amount  
66 of monthly benefit shall be calculated as the product of A and  
67 B, subject to the adjustment of C, if applicable, as set forth  
68 below:

69 (d) A member's average final compensation shall be  
70 determined by formula to obtain the coverage for the 3 ~~5~~ highest  
71 fiscal years' salaries, calculated as provided by rule.

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