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LEGISLATIVE ACTION

Senate

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House

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Floor: 1/R/CR

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03/11/2016 05:28 PM

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Senator Ring moved the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (c) of subsection (5) of section
121.4501, Florida Statutes, is amended to read:

121.4501 Florida Retirement System Investment Plan.—

(5) CONTRIBUTIONS.—

(c) The state board, acting as plan fiduciary, must ensure
that all plan assets are held in a trust, pursuant to s. 401 of
the Internal Revenue Code. The fiduciary must ensure that such



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12 contributions are allocated as follows:

13 1. The employer and employee contribution portion earmarked
14 for member accounts shall be used to purchase interests in the
15 appropriate investment vehicles as specified by the member, or
16 in accordance with paragraph (4) (d).

17 2. The employer contribution portion earmarked for
18 administrative and educational expenses shall be transferred to
19 the state board's Administrative ~~Florida Retirement System~~
20 ~~Investment Plan~~ Trust Fund.

21 3. The employer contribution portion earmarked for
22 disability benefits shall be transferred to the Florida
23 Retirement System Trust Fund.

24 Section 2. Subsections (4) and (5) of section 121.71,
25 Florida Statutes, are amended to read:

26 121.71 Uniform rates; process; calculations; levy.—

27 (4) Required employer retirement contribution rates for
28 each membership class and subclass of the Florida Retirement
29 System for both retirement plans are as follows:

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Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2016</u> 2015
Regular Class	<u>2.97%</u> 2.91%

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34	Special Risk Class	11.35%
	Special Risk	
	Administrative	
	Support Class	<u>3.87%</u> 3.71%
35	Elected Officers' Class-	
	Legislators, Governor,	
	Lt. Governor,	
	Cabinet Officers,	
	State Attorneys,	
	Public Defenders	<u>6.63%</u> 6.48%
36	Elected Officers' Class-	
	Justices, Judges	<u>11.68%</u> 11.39%
37	Elected Officers' Class-	
	County Elected Officers	<u>8.55%</u> 8.48%
38	Senior Management Class	<u>4.38%</u> 4.32%
39	DROP	<u>4.17%</u> 4.10%

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(5) In order to address unfunded actuarial liabilities of the system, the required employer retirement contribution rates for each membership class and subclass of the Florida Retirement System for both retirement plans are as follows:



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Percentage of
Gross
Compensation,
Effective

Membership Class

July 1, 2016 ~~2015~~

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Regular Class

2.83% ~~2.65%~~

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Special Risk Class

8.92% ~~8.99%~~

51

Special Risk
Administrative
Support Class

22.47% ~~27.54%~~

52

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

33.75% ~~37.62%~~

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Elected Officers' Class—
Justices, Judges

23.30% ~~22.62%~~

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Elected Officers' Class—
County Elected Officers

32.20% ~~32.09%~~



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Senior Management Service

Class 15.67% ~~15.41%~~

DROP 7.10% ~~7.12%~~

Section 3. Section 121.74, Florida Statutes, is amended to read:

121.74 Administrative and educational expenses.—In addition to contributions required to fund member accounts under ss. 121.71 and 121.73, effective July 1, 2010, through June 30, 2014, employers participating in the Florida Retirement System shall contribute an employer assessment amount equal to 0.03 percent of the payroll reported for each class or subclass of Florida Retirement System membership. Effective July 1, 2014, the employer assessment is 0.04 percent of the payroll reported for each class or subclass of membership. Effective July 1, 2016, the employer assessment is 0.06 percent of the payroll reported for each class or subclass of membership. The amount assessed shall be transferred by the Division of Retirement from the Florida Retirement System Contributions Clearing Trust Fund to the State Board of Administration's Administrative Trust Fund to offset the costs of administering the investment plan and the costs of providing educational services to members of the Florida Retirement System. Approval of the trustees is required before the expenditure of these funds. Payments for third-party administrative or educational expenses shall be made only pursuant to the terms of the approved contracts for such



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81 services.

82 Section 4. The Legislature finds that a proper and
83 legitimate state interest is served when employees, officers,
84 and retirees of the state and its political subdivisions, and
85 the dependents, survivors, and beneficiaries of such employees,
86 officers, and retirees, are extended the basic protections
87 afforded by governmental retirement systems. These persons must
88 be provided benefits that are fair and adequate and that are
89 managed, administered, and funded in an actuarially sound
90 manner, as required by s. 14, Article X of the State
91 Constitution and part VII of chapter 112, Florida Statutes.
92 Therefore, the Legislature determines and declares that this act
93 fulfills an important state interest.

94 Section 5. This act shall take effect July 1, 2016.

95
96 ===== T I T L E A M E N D M E N T =====

97 And the title is amended as follows:

98 Delete everything before the enacting clause
99 and insert:

100 A bill to be entitled
101 An act relating to state-administered retirement
102 systems; amending s. 121.4501, F.S.; correcting a
103 reference to the trust fund to which certain employer
104 assessments are transferred; amending s. 121.71, F.S.;
105 revising required employer retirement contribution
106 rates for each membership class and subclass of the
107 Florida Retirement System; amending s. 121.74, F.S.;
108 revising the employer assessment rate for offsetting
109 administrative and educational costs related to the



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Florida Retirement System; providing a declaration of
important state interest; providing an effective date.