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LEGISLATIVE ACTION

Senate

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House

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The Committee on Governmental Oversight and Accountability  
(Gruters) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Subsection (4) of section 121.101, Florida  
Statutes, is amended to read:

121.101 Cost-of-living adjustment of benefits.—

(4) For members whose effective retirement date is on or  
after July 1, 2011, the benefit of each retiree and annuitant  
shall be adjusted annually on July 1 as follows:



11 (a) For those retirees and annuitants who have never  
12 received a cost-of-living adjustment under this subsection, the  
13 amount of the monthly benefit payable for the 12-month period  
14 commencing on the adjustment date shall be the amount of the  
15 member's initial benefit plus an amount equal to a percentage of  
16 the member's initial benefit. This percentage is derived by  
17 dividing the number of months the member has received an initial  
18 benefit by 12, and multiplying the result by the factor  
19 calculated pursuant to paragraph (c).

20 (b) For those retirees and annuitants who have received a  
21 cost-of-living adjustment under this subsection, the adjusted  
22 monthly benefit shall be the amount of the monthly benefit being  
23 received on June 30 immediately preceding the adjustment date  
24 plus an amount determined by multiplying the benefit by the  
25 factor calculated pursuant to paragraph (c).

26 (c) The department shall calculate a cost-of-living factor  
27 for each retiree and beneficiary retiring on or after July 1,  
28 2011. This factor shall equal the product of 3 percent  
29 multiplied by the quotient of the sum of the member's service  
30 credit earned for service before July 1, 2011, divided by the  
31 sum of the member's total service credit earned. However,  
32 beginning with cost-of-living-adjustments effective July 1,  
33 2019, for a retiree who was a member of the Special Risk Class  
34 on June 30, 2011, and is a member of the Special Risk Class on  
35 the effective date of retirement, and his or her beneficiary,  
36 retiring on or after July 1, 2011, with service credit earned  
37 before July 1, 2011, the factor calculated pursuant to this  
38 paragraph may not be a product of less than 2.

39 Section 2. Effective July 1, 2019, subsection (3) of



40 section 121.73, Florida Statutes, is amended to read:

41 121.73 Allocations for member disability coverage;  
42 percentage amounts.—

43 (3) Effective July 1, 2002, allocations from the Florida  
44 Retirement System Contributions Clearing Trust Fund to provide  
45 disability coverage for members in the investment plan, and to  
46 offset the costs of administering said coverage, are as follows:

47  
48

| Membership Class | Percentage of Gross<br>Compensation |
|------------------|-------------------------------------|
|------------------|-------------------------------------|

49

|               |       |
|---------------|-------|
| Regular Class | 0.25% |
|---------------|-------|

50

51

|                    |                               |
|--------------------|-------------------------------|
| Special Risk Class | <u>1.35%</u> <del>1.33%</del> |
|--------------------|-------------------------------|

52

Special Risk

|                              |       |
|------------------------------|-------|
| Administrative Support Class | 0.45% |
|------------------------------|-------|

53

Elected Officers' Class—

Legislators, Governor,

Lt. Governor, Cabinet

Officers,

State Attorneys, Public

|           |       |
|-----------|-------|
| Defenders | 0.41% |
|-----------|-------|

54

|                          |       |
|--------------------------|-------|
| Elected Officers' Class— | 0.73% |
|--------------------------|-------|



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Justices, Judges

55

Elected Officers' Class-

County Elected Officers 0.41%

56

Senior Management Service

Class 0.26%

57

58

59

Section 3. Effective July 1, 2019, subsection (3) of section 121.735, Florida Statutes, is amended to read:

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61

121.735 Allocations for member line-of-duty death benefits; percentage amounts.-

62

63

(3) Effective July 1, 2017, allocations from the Florida Retirement System Contributions Clearing Trust Fund to provide line-of-duty death benefits for members in the investment plan and to offset the costs of administering said coverage, are as follows:

64

65

66

67

68

| Membership Class | Percentage of Gross Compensation |
|------------------|----------------------------------|
|------------------|----------------------------------|

69

70

|               |       |
|---------------|-------|
| Regular Class | 0.05% |
|---------------|-------|

71

|                    |                               |
|--------------------|-------------------------------|
| Special Risk Class | <u>1.17%</u> <del>1.15%</del> |
|--------------------|-------------------------------|

72

|                             |       |
|-----------------------------|-------|
| Special Risk Administrative | 0.03% |
|-----------------------------|-------|



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|    |  |       |
|----|--|-------|
| 73 | Support Class  |       |
|    | Elected Officers' Class—<br>Legislators, Governor,<br>Lt. Governor, Cabinet<br>Officers,<br>State Attorneys, Public<br>Defenders | 0.15% |
| 74 |  |       |
|    | Elected Officers' Class—<br>Justices, Judges   | 0.09% |
| 75 |  |       |
|    | Elected Officers' Class—<br>County Elected Officers  | 0.20% |
| 76 |  |       |
|    | Senior Management Service<br>Class   | 0.05% |

77  
78  
79       Section 4. (1) In order to fund the benefit changes  
80 provided in this act, the required employer contribution rates  
81 for members of the Florida Retirement System are increased as  
82 follows:

83       (a) By 0.01 percentage point for the rate established in s.  
84 121.71(4), Florida Statutes, for the Special Risk Class.

85       (b) By 2.32 percentage points for the rate established in  
86 s. 121.71(5), Florida Statutes, for the Special Risk Class.

87       (c) By 0.01 percentage point for the rate established in s.  
88 121.71(5), Florida Statutes, for DROP.



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89           (2) The adjustments provided in subsection (1) are in  
90 addition to any other changes to such contribution rates which  
91 may be enacted into law to take effect on July 1, 2019. The  
92 Division of Law Revision is directed to adjust accordingly the  
93 contribution rates provided in s. 121.71, Florida Statutes.

94           Section 5. The Legislature finds that a proper and  
95 legitimate state purpose is served when employees and retirees  
96 of the state and its political subdivisions, and the dependents,  
97 survivors, and beneficiaries of such employees and retirees, are  
98 extended the basis protections afforded by governmental  
99 retirement systems. These persons must be provided benefits that  
100 are fair and adequate and that are managed, administered, and  
101 funded in an actuarially sound manner, as required by s. 14,  
102 Article X of the State Constitution and part VII of chapter 112,  
103 Florida Statutes. Therefore, the Legislature determines and  
104 declares that this act fulfills an important state interest.

105           Section 6. Except as otherwise provided, this act shall  
106 take effect upon becoming a law.

107  
108 ===== T I T L E   A M E N D M E N T =====

109 And the title is amended as follows:

110           Delete everything before the enacting clause  
111 and insert:

112                           A bill to be entitled  
113           An act relating to retirement; amending s. 121.101,  
114           F.S.; specifying the minimum amount of the factor used  
115           to calculate the cost-of-living adjustment for  
116           benefits for certain retirees and beneficiaries of the  
117           Florida Retirement System; amending s. 121.73, F.S.;



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118 adjusting the allocation of funds to provide  
119 disability coverage to members of the investment plan  
120 of the Florida Retirement System; amending s. 121.735,  
121 F.S.; adjusting the allocation of funds to provide  
122 line-of-duty death benefits for members in the  
123 investment plan of the Florida Retirement System;  
124 directing the Division of Law Revision to adjust the  
125 employer contribution rates for the Special Risk Class  
126 and DROP in the Florida Retirement System; providing a  
127 declaration of important state interest; providing  
128 effective dates.