

By the Committee on Governmental Oversight and Accountability;
and Senators Gruters and Hooper

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1 A bill to be entitled
2 An act relating to cost-of-living adjustment for
3 Special Risk Class retirees; amending s. 121.101,
4 F.S.; revising the manner of calculating the cost-of-
5 living factor for Special Risk Class retirees, and
6 their beneficiaries, who meet certain criteria;
7 revising required employer contribution rates for the
8 Special Risk Class and the Deferred Retirement Option
9 Program in the Florida Retirement System to fund
10 benefit changes made by the act; directing the
11 Division of Law Revision to adjust the employer
12 contribution rates with any other rate changes;
13 providing a declaration of important state interest;
14 providing an effective date.

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

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18 Section 1. Paragraph (c) of subsection (4) of section
19 121.101, Florida Statutes, is amended to read:

20 121.101 Cost-of-living adjustment of benefits.—

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

24 (c) The department shall calculate a cost-of-living factor
25 for each retiree and beneficiary retiring on or after July 1,
26 2011. This factor shall equal the product of 3 percent
27 multiplied by the quotient of the sum of the member's service
28 credit earned for service before July 1, 2011, divided by the
29 sum of the member's total service credit earned. However,

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30 beginning July 1, 2020, the cost-of-living factor for each
31 retiree, and the beneficiary of such a retiree, who was a member
32 of the Special Risk Class on June 30, 2011, is a member of the
33 Special Risk Class on the effective date of retirement, who
34 retires on or after July 1, 2011, and has earned service credit
35 before July 1, 2011, shall equal the product of 3 percent
36 multiplied by the quotient of the sum of the member's service
37 credit earned for service before July 1, 2011, divided by the
38 sum of the member's total service credit earned as of June 30,
39 2020.

40 Section 2. (1) In order to fund the benefit changes
41 provided in this act, the required employer contribution rates
42 for members of the Florida Retirement System are increased as
43 follows:

44 (a) By 0.39 percentage points for the rate established in
45 s. 121.71(4), Florida Statutes, for the Special Risk Class.

46 (b) By 0.63 percentage points for the rate established in
47 s. 121.71(5), Florida Statutes, for the Special Risk Class.

48 (c) By 0.08 percentage points for the rate established in
49 s. 121.71(4), Florida Statutes, for DROP.

50 (2) The adjustments provided in subsection (1) are in
51 addition to any other changes to such contribution rates which
52 may be enacted into law to take effect on July 1, 2020. The
53 Division of Law Revision is directed to adjust accordingly the
54 contribution rates provided in s. 121.71, Florida Statutes.

55 Section 3. The Legislature finds that a proper and
56 legitimate state purpose is served when employees and retirees
57 of the state and its political subdivisions, and the dependents,
58 survivors, and beneficiaries of such employees and retirees, are

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59 extended the basic protections afforded by governmental
60 retirement systems. These persons must be provided benefits that
61 are fair and adequate and that are managed, administered, and
62 funded in an actuarially sound manner, as required by s. 14,
63 Article X of the State Constitution and part VII of chapter 112,
64 Florida Statutes. Therefore, the Legislature determines and
65 declares that this act fulfills an important state interest.

66 Section 4. This act shall take effect July 1, 2020.