

THE FLORIDA LEGISLATURE



Wilton Simpson
President of the Senate



Chris Sprowls
*Speaker of the House of
Representatives*

March 10, 2022

The Honorable Chris Sprowls
Speaker, House of Representatives

The Honorable Wilton Simpson
President of the Senate

Dear Mr. Speaker and Mr. President:

Your Conference Committee on the disagreeing votes of the two houses on HB 5007, same being:

An act relating to state-administered retirement systems.

having met, and after full and free conference, do recommend to their respective houses as follows:

1. That the Senate recede from its Amendment 383086.
2. That the Senate and House of Representatives adopt the Conference Committee Amendment attached hereto, and by reference made a part of this report.

Representative Jay Trumbull, Chair

Representative Ramon Alexander, At Large

Representative Bryan Avila, At Large

Representative Kamia L. Brown, At Large

Representative Colleen Burton, At Large

Representative James Bush , At Large

Representative Charles Wesley Clemons, Sr., At Large

Representative Ben Diamond, At Large

Representative Brad Drake, At Large

Representative Fentrice Driskell, At Large

Representative Nicholas X. Duran, At Large

Representative Randy Fine, At Large

Representative Joseph Geller, At Large

Representative Erin Grall, At Large

Representative Michael Grant, At Large

Representative Blaise Ingoglia, At Large

Representative Evan Jenne, At Large

Representative Chris Latvala, At Large

Representative Thomas J. Leek, At Large

Representative Ralph E. Massullo, MD, At Large

Representative Lawrence McClure, At Large

Representative Anika Tene Omphroy, At Large

Representative Bobby Payne, At Large

Representative Daniel Perez, At Large

Representative Scott Plakon, At Large

Representative Rene Plasencia, At Large

Representative Paul Renner, At Large

Representative Rick Roth, At Large

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Representative Cyndi Stevenson, At Large

Representative Josie Tomkow, At Large

Representative Matt Willhite, At Large

Representative Patricia H. Williams, At Large

Representative Jayer Williamson, At Large

Managers on the part of the House of Representatives

Senator Kelli Stargel, Chair

Senator Ben Albritton

Senator Lorraine Ausley

Senator Dennis Baxley

Senator Aaron Bean, At Large

Senator Lori Berman

Senator Lauren Book, At Large

Senator Jim Boyd

Senator Randolph Bracy

Senator Jennifer Bradley

Senator Doug Broxson

Senator Danny Burgess

Senator Janet Cruz

Senator Manny Diaz

Senator Gary M. Farmer

Senator George B. Gainer

Senator Ileana Garcia

Senator Audrey Gibson, At Large

Senator Joe Gruters

Senator Gayle Harrell

Senator Ed Hooper

Senator Travis Hutson

Senator Shevrin D. Jones

Senator Debbie Mayfield, At Large

Senator Kathleen Passidomo, At Large

Senator Keith Perry, At Large

Senator Jason W. B. Pizzo

Senator Tina Scott Polsky

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Senator Bobby Powell, At Large

Senator Ray Wesley Rodrigues

Senator Ana Maria Rodriguez

Senator Darryl Ervin Rouson, At Large

Senator Wilton Simpson

Senator Linda Stewart, At Large

Senator Annette Taddeo

Senator Victor M. Torres

Senator Tom A. Wright

Conferees on the part of the Senate

The Conference Committee Amendment for HB 5007, relating to state-administered retirement systems, conforms the law to the Fiscal Year 2022-2023 General Appropriations Act (GAA) as retirement contributions are included in the GAA.

The Florida Retirement System (FRS) is a multiple-employer, contributory plan that provides retirement income benefits for employees of the state and county government agencies, district school boards, state colleges and universities, and it also serves as the retirement plan for participating employees of the cities, special districts, and independent hospitals that have elected to join the system. Members of the FRS have two plan options available for participation: the pension plan, which is a defined benefit plan, and the investment plan, which is a defined contribution plan.

The Deferred Retirement Option Program (DROP) allows eligible members of the Florida Retirement System to participate in the program and defer receipt of retirement benefits while continuing employment with his or her Florida Retirement System Employer. Eligible members may elect to participate in DROP for a period not to exceed a maximum of 60 calendar months.

The Department of Management Services (DMS) must provide an annual actuarial valuation of the FRS and report the results to the Legislature by December 31 of each year. Thereafter, the Legislature uses the results of the actuarial valuation to establish uniform employer contribution rates during the next legislative session to ensure the FRS is funded in a sound actuarial manner.

The amendment:

- Modifies DROP to allow a member of the Special Risk Class who is a law enforcement officer to participate for up to 36 calendar months beyond the 60-month period if he or she enters DROP on or before June 30, 2028.
- Increases the allocations to investment plan accounts by 3 percent for each membership class in the investment plan.
- Revises the employer contribution rates for the FRS based on the actuarial valuation and actuarial studies.
- Declares that the act fulfills an important state interest. It provides that a proper and legitimate state purpose is served by the amendment, which includes providing benefits that are managed, administered, and funded in an actuarially sound manner.

The application of the rates will have a significant fiscal impact to funds appropriated by the Legislature associated with employee salaries and benefits. Provisions of the amendment relating to employer retirement contribution rates will increase amounts FRS Employers must pay for employee retirement benefits.