

PCB.GEAC 08-28

ORIGINAL

YEAR

1                                   A bill to be entitled  
 2           An act relating to retirement; amending s. 121.71, F.S.;  
 3           revising the payroll contribution rates for the membership  
 4           classes of the Florida Retirement System for the state  
 5           fiscal years effective July 1, 2008, and July 1, 2009;  
 6           providing a declaration of important state interest;  
 7           providing an effective date.

8  
 9   Be It Enacted by the Legislature of the State of Florida:

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 11           Section 1. Section 121.71, Florida Statutes, is amended to  
 12   read:

13           121.71 Uniform rates; process; calculations; levy.--

14           (1) In conducting the system actuarial study required  
 15   under s. 121.031, the actuary shall follow all requirements  
 16   specified thereunder to determine, by Florida Retirement System  
 17   employee membership class, the dollar contribution amounts  
 18   necessary for the forthcoming fiscal year for the defined  
 19   benefit program. In addition, the actuary shall determine, by  
 20   Florida Retirement System membership class, based on an estimate  
 21   for the forthcoming fiscal year of the gross compensation of  
 22   employees participating in the optional retirement program, the  
 23   dollar contribution amounts necessary to make the allocations  
 24   required under ss. 121.72 and 121.73. For each employee  
 25   membership class and subclass, the actuarial study shall  
 26   establish a uniform rate necessary to fund the benefit  
 27   obligations under both Florida Retirement System retirement  
 28   plans, by dividing the sum of total dollars required by the

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29 estimated gross compensation of members in both plans.

30 (2) Based on the uniform rates set forth in subsection  
 31 (3), employers shall make monthly contributions to the Division  
 32 of Retirement, which shall initially deposit the funds into the  
 33 Florida Retirement System Contributions Clearing Trust Fund. A  
 34 change in a contribution rate is effective the first day of the  
 35 month for which a full month's employer contribution may be made  
 36 on or after the beginning date of the change.

37 (3) Required employer retirement contribution rates for  
 38 each membership class and subclass of the Florida Retirement  
 39 System for both retirement plans are as follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2008</u> <del>2007</del>	Percentage of Gross Compensation, Effective July 1, <u>2009</u> <del>2008</del>
Regular Class	8.69%	<u>9.55</u> <del>9.59%</del>
Special Risk Class	19.76%	<u>21.93</u> <del>22.01%</del>
Special Risk Administrative Support Class	11.39%	<u>11.94</u> <del>11.90%</del>
Elected Officers' Class -	13.32%	<u>14.20</u> <del>14.99%</del>

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45	Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders			
	Elected Officers' Class - Justices, Judges	18.40%	<u>20.30</u>	<del>20.46%</del>
46	Elected Officers' Class - County Elected Officers	15.37%	<u>16.94</u>	<del>17.15%</del>
47	Senior Management Class	11.96%	<u>12.92</u>	<del>13.35%</del>
48	DROP	9.80%	<u>10.96</u>	<del>10.89%</del>

51 (4) The state actuary shall recognize and use an  
 52 appropriate level of available excess assets of the Florida  
 53 Retirement System Trust Fund to offset the difference between  
 54 the normal costs of the Florida Retirement System and the  
 55 statutorily prescribed contribution rates.

56 Section 2. The Legislature finds that a proper and

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57 legitimate state purpose is served when employees and retirees  
58 of the state and its political subdivisions, and the dependents,  
59 survivors, and beneficiaries of such employees and retirees, are  
60 extended the basic protections afforded by governmental  
61 retirement systems. These persons must be provided benefits  
62 that are fair and adequate and that are managed, administered,  
63 and funded in an actuarially sound manner, as required by  
64 Section 14, Article X of the State Constitution, and part VII of  
65 chapter 112, Florida Statutes. Therefore, the Legislature  
66 determines and declares that this act fulfills an important  
67 state interest.

68 Section 3. This act shall take effect July 1, 2008.