

Committee on Governmental Oversight and Accountability

CS/CS/SB 1128 — Local Government Retirement Plans

by Budget Committee, Governmental Oversight and Accountability Committee, and Senators Ring, Lynn, and Flores

This bill increases the transparency of local pension plan data, and specifies other actions to address the sustainability of local pension plans. The bill does the following:

- Local plans' actuarial reports are required to include the present value of all benefits using a standard rate of return, to promote comparisons between plans;
- DMS is required to post on their website a five-year history of each plan's funded ratio, and local plans are required to link to this DMS website;
- Actuarial or cash surpluses in a local plan may not be used outside the plan;
- Local plans may not reduce contributions required to fund normal cost;
- For all local plans, accrued sick or annual leave may not be included in calculations of retirement benefits; overtime may be included, but is capped at 300 hours;
- With approval of the members, firefighter and police plans are allowed to increase member contributions without increasing member benefits;
- The bill changes the date in 1939 by which local law plans are deemed to be in compliance with Chapters 175 and 185;
- The bill creates a Task Force on Public Employee Disability Presumptions to study and make recommendations on statutory disability presumptions;
- The Department of Management Services is required to create a plan for providing standardized ratings for the financial strength of all local government defined benefit plans in Florida, and provide recommendations to the Legislature in January 2012.

If approved by the Governor, these provisions take effect July 1, 2011

Vote: Senate 33-4; House 80-35