

Bill No. SB 1950

Amendment No. ____

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Williams moved the following amendment to amendment (375588):

Senate Amendment (with title amendment)

On page 40, between lines 22 and 23,

insert:

Section 1. (1) There is created the Florida Defined Contribution Retirement Study Commission for the purpose of advising the Legislature and the Governor on measures in the formulation and implementation of an optional portable retirement program.

(a) The commission shall consist of 20 members, as follows:

1. Two legislators appointed by the President of the Senate;

2. Two legislators appointed by the Speaker of the House of Representatives;

3. One employee of the Governors Office of Planning and Budgeting, appointed by the Governor;

4. The President of the Senate and the Speaker of the

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- 1 House of Representatives shall appoint the following
2 commission members based upon the recommendations of each of
3 the respective employer or employee member organizations:
- 4 a. Three members representing the financial services
5 industry, to include a provider of mutual funds, a provider of
6 insurance/annuity products, and a provider from a financial
7 services company;
 - 8 b. One member representing the Division of Retirement;
 - 9 c. One member representing the State Board of
10 Administration;
 - 11 d. One member representing municipality members of the
12 Florida Retirement System;
 - 13 e. Two members representing counties, one representing
14 the employer, and one representing the non-managerial,
15 nonsupervisory employees;
 - 16 f. Four members representing education, one school
17 board member, one superintendent or administrator, and two
18 teachers;
 - 19 g. One member representing state employees;
 - 20 h. One representing the special risk class of the
21 Florida Retirement System;
 - 22 i. One member representing Special District members of
23 the Florida Retirement System.
- 24 (2) The Commission shall be co-chaired by one
25 Representative and one Senator.
- 26 (3) It is the duty of the commission to:
- 27 (a) Review existing defined benefit and defined
28 contribution pension plans, taking into consideration:
- 29 1. The proper relationship of employer and employee
30 contributions to any alternate plan;
 - 31 2. Any effects on the existing retirement plan

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- 1 resulting from implementation of a new retirement plan,
2 including, but not limited to:
- 3 a. Vesting rights and portability options;
 - 4 b. Other factors influencing the demand for either
5 program; and
 - 6 c. Considering the effect of implementing the optional
7 defined contribution plan, including affect on unfunded
8 accrued liabilities of existing defined benefit plans.
- 9 3. Review of a study performed by the Florida
10 Retirement System on credit for transferring funds from the
11 existing retirement plan to an optional retirement plan.
- 12 (b) Recommend and address:
- 13 1. The role and obligations for educating employees
14 regarding the differences and advantages of the two plans, and
15 regarding their investment choices;
 - 16 2. Program administration and its cost, and who shall
17 bear the cost; and
 - 18 3. The offering of plans independently, or as a group.
- 19 (4) The commission shall make its recommendation in an
20 official report, adopted by the commission and transmitted to
21 the Governor, the President of the Senate, and the Speaker of
22 the House of Representatives by January 1, 1999.
- 23 (5) Commission members shall be appointed by June 1,
24 1998 and shall convene to organize immediately after the
25 appointments have been completed.
- 26 (6) Members of the commission shall service without
27 compensation. Members of the commission shall be entitled to
28 receive reimbursement for travel and per diem as provided in
29 section 112.061, Florida Statutes, while carrying out official
30 business of the commission.
- 31 (7) The commission shall hold meetings when deemed

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1 necessary.

2 Section 2. The Division of Retirement shall furnish
3 funds necessary for the completion of the study.

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6 ===== T I T L E A M E N D M E N T =====

7 And the title is amended as follows:

8 On page 43, lines 6 and 7, delete those lines

9

10 and insert:

11 important state interest; creating the Florida
12 Defined Contribution Retirement Study
13 Commission; providing for membership; providing
14 powers and duties of the commission; providing
15 an effective date.

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17 WHEREAS, pursuant to chapter 97-296, Laws of Florida,
18 the Workforce 2000 Study Commission complete a comprehensive
19 study comparing employee benefits in the public and private
20 sectors, and

21 WHEREAS, the appropriate application of a defined
22 contribution plan in the Florida Retirement System might
23 enable a more efficient use of public tax dollars while
24 providing additional choices for the workforce, and

25 WHEREAS, the initiative to create a defined benefit
26 retirement plan for members of the Florida Retirement System
27 can be accomplished through a review of all the components of
28 public-employee compensation, and

29 WHEREAS, the proper relationship of salary and benefit
30 compensation is acritical issue in personnel administration
31 policies in the public sector, NOW, THEREFORE,