

1
2 An act relating to state retirement
3 contributions; amending ss. 121.052, 121.055,
4 121.071, and 121.40, F.S.; changing
5 contribution rates for specified classes and
6 subclasses; amending ss. 121.35, 121.051,
7 121.055, and 240.3195, F.S.; changing employer
8 contribution rates for participants in the
9 State University System optional retirement
10 program, the Community College optional
11 retirement program, and the Senior Management
12 Service optional annuity program; providing
13 legislative intent; recognizing excess
14 actuarial assets to fund costs and rate
15 reductions; reducing certain contribution
16 rates; repealing s. 20 of ch. 2000-169, Laws of
17 Florida, relating to increasing contributions
18 rates; amending s. 112.363, 121.052, 121.055,
19 and 121.071, F.S.; changing the employer
20 contribution for the retiree health insurance
21 subsidy; amending s. 121.571, F.S.; adding
22 cross references; providing a finding of
23 important state interest; providing an
24 effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:

27
28 Section 1. Paragraph (a) of subsection (7) of section
29 121.052, Florida Statutes, is amended to read:
30 121.052 Membership class of elected officers.--
31 (7) CONTRIBUTIONS.--

1 (a) The following table states the required retirement
 2 contribution rates for members of the Elected Officers' Class
 3 and their employers in terms of a percentage of the member's
 4 gross compensation. A change in a contribution rate is
 5 effective with the first salary paid on or after the beginning
 6 date of the change. Contributions shall be made or deducted as
 7 may be appropriate for each pay period and are in addition to
 8 the contributions required for social security and the Retiree
 9 Health Insurance Subsidy Trust Fund.

10

11 Dates of Contribution

12 Rate Changes	Members	Employers
13		
14 July 1, 1972, through September 30, 1977		
15 Legislators	8%	8%
16 All Other Members	8%	8%
17		
18 October 1, 1977, through September 30, 1978		
19 Legislators	8%	8%
20 All Other Members	4%	12%
21		
22 October 1, 1978, through September 30, 1979		
23 Legislators	8%	10.57%
24 All Other Members	4%	16.78%
25		
26 October 1, 1979, through September 30, 1981		
27 Legislators	8%	10.57%
28 Governor, Lt. Governor, Cabinet		
29 Officers	4%	16.78%
30 All Other Members	0%	20.78%
31		

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1	July 1, 1981, through June 30, 1984		
2	County Elected Officers	0%	19.30%
3			
4	July 1, 1984, through September 30, 1984		
5	County Elected Officers	0%	20.25%
6			
7	October 1, 1981, through September 30, 1984		
8	Legislators	0%	19.30%
9	Governor, Lt. Governor, Cabinet		
10	Officers	0%	21.03%
11	State Attorneys, Public Defenders	0%	20.95%
12	Justices, Judges	0%	22.55%
13			
14	October 1, 1984, through September 30, 1986		
15	Legislators	0%	10.98%
16	Governor, Lt. Governor, Cabinet		
17	Officers	0%	10.98%
18	State Attorneys, Public Defenders	0%	10.98%
19	Justices, Judges	0%	21.79%
20	County Elected Officers	0%	16.97%
21			
22	October 1, 1986, through December 31, 1988		
23	Legislators	0%	11.50%
24	Governor, Lt. Governor, Cabinet		
25	Officers	0%	11.50%
26	State Attorneys, Public Defenders	0%	11.50%
27	Justices, Judges	0%	20.94%
28	County Elected Officers	0%	17.19%
29			
30	January 1, 1989, through December 31, 1989		
31	Legislators	0%	13.70%

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1	Governor, Lt. Governor, Cabinet		
2	Officers	0%	13.70%
3	State Attorneys, Public Defenders	0%	13.70%
4	Justices, Judges	0%	22.58%
5	County Elected Officers	0%	18.44%
6			
7	January 1, 1990, through December 31, 1990		
8	Legislators	0%	15.91%
9	Governor, Lt. Governor, Cabinet		
10	Officers	0%	15.91%
11	State Attorneys, Public Defenders	0%	15.91%
12	Justices, Judges	0%	24.22%
13	County Elected Officers	0%	19.71%
14			
15	January 1, 1991, through December 31, 1991		
16	Legislators	0%	17.73%
17	Governor, Lt. Governor, Cabinet		
18	Officers	0%	17.73%
19	State Attorneys, Public Defenders	0%	17.73%
20	Justices, Judges	0%	26.63%
21	County Elected Officers	0%	23.32%
22			
23	January 1, 1992, through December 31, 1992		
24	Legislators	0%	19.94%
25	Governor, Lt. Governor, Cabinet		
26	Officers	0%	19.94%
27	State Attorneys, Public Defenders	0%	19.94%
28	Justices, Judges	0%	28.27%
29	County Elected Officers	0%	24.59%
30			
31	January 1, 1993, through December 31, 1993		

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1	Legislators	0%	22.14%
2	Governor, Lt. Governor, Cabinet		
3	Officers	0%	22.14%
4	State Attorneys, Public Defenders	0%	22.14%
5	Justices, Judges	0%	29.91%
6	County Elected Officers	0%	25.84%
7			
8	January 1, 1994, through December 31, 1994		
9	Legislators	0%	22.65%
10	Governor, Lt. Governor, Cabinet		
11	Officers	0%	22.65%
12	State Attorneys, Public Defenders	0%	22.65%
13	Justices, Judges	0%	30.52%
14	County Elected Officers	0%	26.07%
15			
16	January 1, 1995, through December 31, 1995		
17	Legislators	0%	22.80%
18	Governor, Lt. Governor, Cabinet		
19	Officers	0%	22.80%
20	State Attorneys, Public Defenders	0%	22.80%
21	Justices, Judges	0%	30.21%
22	County Elected Officers	0%	27.48%
23			
24	January 1, 1996, through June 30, 1996		
25	Legislators	0%	22.90%
26	Governor, Lt. Governor, Cabinet		
27	Officers	0%	22.90%
28	State Attorneys, Public Defenders	0%	22.90%
29	Justices, Judges	0%	30.15%
30	County Elected Officers	0%	27.54%
31			

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1	July 1, 1996, through June 30, 1998		
2	Legislators	0%	23.07%
3	Governor, Lt. Governor, Cabinet		
4	Officers	0%	23.07%
5	State Attorneys, Public Defenders	0%	23.07%
6	Justices, Judges	0%	29.55%
7	County Elected Officers	0%	27.33%
8			
9	July 1, 1998, through June 30, 1999		
10	Legislators	0%	22.33%
11	Governor, Lt. Governor, Cabinet		
12	Officers	0%	22.33%
13	State Attorneys, Public Defenders	0%	22.33%
14	Justices, Judges	0%	27.21%
15	County Elected Officers	0%	26.99%
16			
17	Effective July 1, 1999		
18	Legislators	0%	14.31%
19	Governor, Lt. Governor, Cabinet		
20	Officers	0%	14.31%
21	State Attorneys, Public Defenders	0%	14.31%
22	Justices, Judges	0%	20.48%
23	County Elected Officers	0%	17.05%
24			
25	<u>Effective July 1, 2001</u>		
26	<u>Legislators</u>	<u>0%</u>	<u>15.14%</u>
27	<u>Governor, Lt. Governor, Cabinet</u>		
28	<u>Officers</u>	<u>0%</u>	<u>15.14%</u>
29	<u>State Attorneys, Public Defenders</u>	<u>0%</u>	<u>15.14%</u>
30	<u>Justices, Judges</u>	<u>0%</u>	<u>20.61%</u>
31	<u>County Elected Officers</u>	<u>0%</u>	<u>17.61%</u>

1
2 Section 2. Paragraph (a) of subsection (3) of section
3 121.055, Florida Statutes, is amended to read:

4 121.055 Senior Management Service Class.--There is
5 hereby established a separate class of membership within the
6 Florida Retirement System to be known as the "Senior
7 Management Service Class," which shall become effective
8 February 1, 1987.

9 (3)(a) The following table states the required
10 retirement contribution rates for members of the Senior
11 Management Service Class and their employers in terms of a
12 percentage of the member's gross compensation. A change in the
13 contribution rate is effective with the first salary paid on
14 or after the beginning date of the change. Contributions
15 shall be made for each pay period and are in addition to the
16 contributions required for social security and the Retiree
17 Health Insurance Subsidy Trust Fund.

18	19 Dates of Contribution		
20	Rate Changes	Members	Employers
21			
22	February 1, 1987, through		
23	December 31, 1988	0%	13.88%
24	January 1, 1989, through		
25	December 31, 1989	0%	14.95%
26	January 1, 1990, through		
27	December 31, 1990	0%	16.04%
28	January 1, 1991, through		
29	December 31, 1991	0%	18.39%
30	January 1, 1992, through		
31	December 31, 1992	0%	19.48%

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1	January 1, 1993, through		
2	December 31, 1993	0%	20.55%
3	January 1, 1994, through		
4	December 31, 1994	0%	23.07%
5	January 1, 1995, through		
6	December 31, 1995	0%	23.88%
7	January 1, 1996, through		
8	June 30, 1996	0%	24.14%
9	July 1, 1996, through		
10	June 30, 1998	0%	21.58%
11	July 1, 1998, through		
12	June 30, 1999	0%	23.10%
13	Effective July 1, 1999		
14	-	0%	11.19%
15	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>11.73%</u>

16
17 Section 3. Subsection (1) of section 121.071, Florida
18 Statutes, is amended to read:

19 121.071 Contributions.--Contributions to the system
20 shall be made as follows:

21 (1) The following tables state the required retirement
22 contribution rates for members of the Regular Class, Special
23 Risk Class, or Special Risk Administrative Support Class and
24 their employers in terms of a percentage of the member's gross
25 compensation. A change in a contribution rate is effective
26 with the first salary paid on or after the beginning date of
27 the change. Contributions shall be made or deducted as may be
28 appropriate for each pay period and are in addition to the
29 contributions required for social security and the Retiree
30 Health Insurance Subsidy Trust Fund.

31

1	(a) Retirement contributions for regular members are		
2	as follows:		
3			
4	Dates of Contribution		
5	Rate Changes	Members	Employers
6			
7	December 1, 1970, through December		
8	31, 1974, for state agencies, state		
9	universities, community colleges,		
10	and district school boards	4%	4%
11			
12	December 1, 1970, through September		
13	30, 1975, for all other local		
14	government agencies	4%	4%
15			
16	January 1, 1975, through September		
17	30, 1978, for state agencies and		
18	state universities	0%	9%
19			
20	January 1, 1975, through July 31,		
21	1978, for community colleges and		
22	district school boards	0%	9%
23			
24	October 1, 1975, through September		
25	30, 1978, for all other local		
26	government agencies	0%	9%
27			
28	August 1, 1978, through September 30,		
29	1981, for community colleges and		
30	district school boards	0%	9.1%
31			

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1			
2	October 1, 1978, through September		
3	30, 1981, for all other agencies	0%	9.1%
4			
5	October 1, 1981, through		
6	September 30, 1984	0%	10.93%
7	October 1, 1984, through		
8	September 30, 1986	0%	12.24%
9	October 1, 1986, through		
10	December 31, 1988	0%	13.14%
11	January 1, 1989, through		
12	December 31, 1989	0%	13.90%
13	January 1, 1990, through		
14	December 31, 1990	0%	14.66%
15	January 1, 1991, through		
16	December 31, 1991	0%	15.72%
17	January 1, 1992, through		
18	December 31, 1992	0%	16.51%
19	January 1, 1993, through		
20	December 31, 1993	0%	17.27%
21	January 1, 1994, through		
22	December 31, 1994	0%	17.10%
23	January 1, 1995, through		
24	December 31, 1995	0%	16.91%
25	January 1, 1996, through		
26	June 30, 1996	0%	17.00%
27	July 1, 1996, through		
28	June 30, 1998	0%	16.77%
29	July 1, 1998, through		
30	June 30, 1999	0%	15.51%
31	Effective July 1, 1999		

1		0%	9.21%
2	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>9.91%</u>
3			
4	(b) Retirement contributions for special risk members		
5	are as follows:		
6			
7	Dates of Contribution		
8	Rate Changes	Members	Employers
9			
10	December 1, 1970, through		
11	September 30, 1974	6%	6%
12			
13	October 1, 1974, through December 31,		
14	1974, for state agencies, state		
15	universities, community colleges,		
16	and district school boards	8%	8%
17			
18	October 1, 1974, through September		
19	30, 1975, for all other local		
20	government agencies	8%	8%
21			
22	January 1, 1975, through September		
23	30, 1978, for state agencies, state		
24	universities, community colleges,		
25	and district school boards	0%	13%
26			
27	October 1, 1975, through September		
28	30, 1978, for other local		
29	government agencies	0%	13%
30			
31	October 1, 1978, through		

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1	September 30, 1981	0%	13.95%
2	October 1, 1981, through		
3	September 30, 1984	0%	13.91%
4	October 1, 1984, through		
5	September 30, 1986	0%	14.67%
6	October 1, 1986, through		
7	December 31, 1988	0%	15.11%
8	January 1, 1989, through		
9	December 31, 1989	0%	17.50%
10	January 1, 1990, through		
11	December 31, 1990	0%	19.90%
12	January 1, 1991, through		
13	December 31, 1991	0%	25.52%
14	January 1, 1992, through		
15	December 31, 1992	0%	26.35%
16	January 1, 1993, through		
17	December 31, 1993	0%	27.14%
18	January 1, 1994, through		
19	December 31, 1994	0%	27.03%
20	January 1, 1995, through		
21	December 31, 1995	0%	26.83%
22	January 1, 1996, through		
23	June 30, 1996	0%	26.84%
24	July 1, 1996, through		
25	June 30, 1998	0%	26.44%
26	July 1, 1998, through		
27	June 30, 1999	0%	24.38%
28	July 1, 1999, through		
29	June 30, 2000	0%	20.22%
30	Effective July 1, 2000		
31		0%	20.35%

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1	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>22.07%</u>
2			
3	(c) Retirement contributions for special risk		
4	administrative support members are as follows:		
5			
6	Dates of Contribution		
7	Rate Changes	Members	Employers
8			
9	July 1, 1982, through		
10	September 30, 1984	0%	11.14%
11	October 1, 1984, through		
12	September 30, 1986	0%	13.09%
13	October 1, 1986, through		
14	December 31, 1988	0%	15.44%
15	January 1, 1989, through		
16	December 31, 1989	0%	14.76%
17	January 1, 1990, through		
18	December 31, 1990	0%	14.09%
19	January 1, 1991, through		
20	December 31, 1991	0%	20.16%
21	January 1, 1992, through		
22	December 31, 1992	0%	19.51%
23	January 1, 1993, through		
24	December 31, 1993	0%	18.83%
25	January 1, 1994, through		
26	December 31, 1994	0%	18.59%
27	January 1, 1995, through		
28	December 31, 1995	0%	17.81%
29	January 1, 1996, through		
30	June 30, 1996	0%	17.80%
31	July 1, 1996, through		

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1	June 30, 1998	0%	17.20%
2	July 1, 1998, through		
3	June 30, 1999	0%	14.64%
4	July 1, 1999, through		
5	June 30, 2000	0%	11.53%
6	Effective July 1, 2000		
7	-	0%	11.74%
8	<u>Effective July 1, 2001</u>	<u>0%</u>	<u>12.55%</u>

10 Section 4. Paragraph (b) of subsection (12) of section
 11 121.40, Florida Statutes, is amended to read:

12 121.40 Cooperative extension personnel at the
 13 Institute of Food and Agricultural Sciences; supplemental
 14 retirement benefits.--

15 (12) CONTRIBUTIONS.--

16 (b) The monthly contributions required to be paid
 17 pursuant to paragraph (a) on the gross monthly salaries, from
 18 all sources with respect to such employment, paid to those
 19 employees of the institute who hold both state and federal
 20 appointments and who participate in the federal Civil Service
 21 Retirement System shall be as follows:

23	Dates of Contribution	Percentage
24	Rate Changes	Due
26	July 1, 1985, through December 31, 1988	6.68%
27	January 1, 1989, through December 31, 1993	6.35%
28	January 1, 1994, through December 31, 1994	6.69%
29	January 1, 1995, through June 30, 1996	6.82%
30	July 1, 1996, through June 30, 1998	5.64%
31	Effective July 1, 1998, through	

1	<u>June 30, 2001</u>	7.17%
2	<u>Effective July 1, 2001</u>	<u>6.96%</u>

3
4 Section 5. Paragraph (a) of subsection (4) of section
5 121.35, Florida Statutes, is amended to read:

6 121.35 Optional retirement program for the State
7 University System.--

8 (4) CONTRIBUTIONS.--

9 (a) Through June 30, 2001,each employer shall
10 contribute on behalf of each participant in the optional
11 retirement program an amount equal to the normal cost portion
12 of the employer retirement contribution which would be
13 required if the participant were a regular member of the
14 Florida Retirement System defined benefit program, plus the
15 portion of the contribution rate required in s. 112.363(8)
16 that would otherwise be assigned to the Retiree Health
17 Insurance Subsidy Trust Fund. Effective July 1, 2001, each
18 employer shall contribute on behalf of each participant in the
19 optional program an amount equal to 10.43 percent of the
20 participant's gross monthly compensation. The department
21 shall deduct, ~~less~~ an amount approved by the Legislature ~~which~~
22 ~~shall be deducted by the department~~ to provide for the
23 administration of this program. The payment of the
24 contributions to the optional program which is required by
25 this paragraph for each participant shall be made by the
26 employer to the department, which shall forward the
27 contributions to the designated company or companies
28 contracting for payment of benefits for the participant under
29 the program. However, such contributions paid on behalf of an
30 employee described in paragraph (3)(c) shall not be forwarded
31 to a company and shall not begin to accrue interest until the

1 employee has executed an annuity contract and notified the
2 department.

3 Section 6. Paragraph (c) of subsection (2) of section
4 121.051, Florida Statutes, is amended to read:

5 121.051 Participation in the system.--

6 (2) OPTIONAL PARTICIPATION.--

7 (c) Employees of members of the Florida Community
8 College System or charter technical career centers sponsored
9 by members of the Florida Community College System, as
10 designated in s. 240.3031, who are members of the Regular
11 Class of the Florida Retirement System and who comply with the
12 criteria set forth in this paragraph and in s. 240.3195 may
13 elect, in lieu of participating in the Florida Retirement
14 System, to withdraw from the Florida Retirement System
15 altogether and participate in a lifetime monthly annuity
16 program, to be known as the State Community College System
17 Optional Retirement Program, which may be provided by the
18 employing agency under s. 240.3195. Pursuant thereto:

19 1. Through June 30, 2001, the cost to the employer for
20 such annuity shall equal the normal cost portion of the
21 employer retirement contribution which would be required if
22 the employee were a member of the Regular Class defined
23 benefit program, plus the portion of the contribution rate
24 required by s. 112.363(8) that would otherwise be assigned to
25 the Retiree Health Insurance Subsidy Trust Fund. Effective
26 July 1, 2001, each employer shall contribute on behalf of each
27 participant in the optional program an amount equal to 10.43
28 percent of the participant's gross monthly compensation. The
29 employer shall deduct, and less an amount ~~approved by the~~
30 ~~employer~~ to provide for the administration of the optional
31 retirement program. The employer providing such annuity shall

1 contribute an additional amount to the Florida Retirement
2 System Trust Fund equal to the unfunded actuarial accrued
3 liability portion of the Regular Class contribution rate.

4 2. The decision to participate in such an optional
5 retirement program shall be irrevocable for as long as the
6 employee holds a position eligible for participation. Any
7 service creditable under the Florida Retirement System shall
8 be retained after the member withdraws from the Florida
9 Retirement System; however, additional service credit in the
10 Florida Retirement System shall not be earned while a member
11 of the optional retirement program.

12 3. Participation in an optional annuity program shall
13 be limited to those employees who satisfy the following
14 eligibility criteria:

15 a. The employee must be otherwise eligible for
16 membership in the Regular Class of the Florida Retirement
17 System, as provided in s. 121.021(11) and (12).

18 b. The employee must be employed in a full-time
19 position classified in the Accounting Manual for Florida's
20 Public Community Colleges as:

21 (I) Instructional; or

22 (II) Executive Management, Instructional Management,
23 or Institutional Management, if a community college determines
24 that recruiting to fill a vacancy in the position is to be
25 conducted in the national or regional market, and:

26 (A) The duties and responsibilities of the position
27 include either the formulation, interpretation, or
28 implementation of policies; or

29 (B) The duties and responsibilities of the position
30 include the performance of functions that are unique or
31

1 specialized within higher education and that frequently
2 involve the support of the mission of the community college.

3 c. The employee must be employed in a position not
4 included in the Senior Management Service Class of the Florida
5 Retirement System, as described in s. 121.055.

6 4. Participants in the program are subject to the same
7 reemployment limitations, renewed membership provisions, and
8 forfeiture provisions as are applicable to regular members of
9 the Florida Retirement System under ss. 121.091(9), 121.122,
10 and 121.091(5), respectively.

11 5. Eligible community college employees shall be
12 compulsory members of the Florida Retirement System until,
13 pursuant to the procedures set forth in s. 240.3195, the first
14 day of the next full calendar month following the filing of
15 both a written election to withdraw and a completed
16 application for an individual contract or certificate with the
17 program administrator and receipt of such election by the
18 division.

19 Section 7. Paragraph (d) of subsection (6) of section
20 121.055, Florida Statutes, is amended to read:

21 121.055 Senior Management Service Class.--There is
22 hereby established a separate class of membership within the
23 Florida Retirement System to be known as the "Senior
24 Management Service Class," which shall become effective
25 February 1, 1987.

26 (6)

27 (d) Contributions.--

28 1. Through June 30, 2001, each employer shall
29 contribute on behalf of each participant in the Senior
30 Management Service Optional Annuity Program an amount equal to
31 the normal cost portion of the employer retirement

1 contribution which would be required if the participant were a
2 Senior Management Service Class member of the Florida
3 Retirement System defined benefit program, plus the portion of
4 the contribution rate required in s. 112.363(8) that would
5 otherwise be assigned to the Retiree Health Insurance Subsidy
6 Trust Fund. Effective July 1, 2001, each employer shall
7 contribute on behalf of each participant in the optional
8 program an amount equal to 12.49 percent of the participant's
9 gross monthly compensation. The department shall deduct, ~~less~~
10 ~~an amount approved by the Legislature which shall be deducted~~
11 ~~by the department~~ to provide for the administration of this
12 program. The payment of the contributions to the optional
13 program which is required by this subparagraph for each
14 participant shall be made by the employer to the department,
15 which shall forward the contributions to the designated
16 company or companies contracting for payment of benefits for
17 the participant under the program.

18 2. Each employer shall contribute on behalf of each
19 participant in the Senior Management Service Optional Annuity
20 Program an amount equal to the unfunded actuarial accrued
21 liability portion of the employer contribution which would be
22 required for members of the Senior Management Service Class in
23 the Florida Retirement System. This contribution shall be
24 paid to the department for transfer to the Florida Retirement
25 System Trust Fund.

26 3. An Optional Annuity Program Trust Fund shall be
27 established in the State Treasury and administered by the
28 department to make payments to provider companies on behalf of
29 the optional annuity program participants, and to transfer the
30 unfunded liability portion of the state optional annuity

31

1 program contributions to the Florida Retirement System Trust
2 Fund.

3 4. Contributions required for social security by each
4 employer and each participant, in the amount required for
5 social security coverage as now or hereafter may be provided
6 by the federal Social Security Act shall be maintained for
7 each participant in the Senior Management Service retirement
8 program and shall be in addition to the retirement
9 contributions specified in this paragraph.

10 5. Each participant in the Senior Management Service
11 Optional Annuity Program may contribute by way of salary
12 reduction or deduction a percentage amount of the
13 participant's gross compensation not to exceed the percentage
14 amount contributed by the employer to the optional annuity
15 program. Payment of the participant's contributions shall be
16 made by the employer to the department, which shall forward
17 the contributions to the designated company or companies
18 contracting for payment of benefits for the participant under
19 the program.

20 Section 8. Paragraph (a) of subsection (4) of section
21 240.3195, Florida Statutes, is amended to read:

22 240.3195 State Community College System Optional
23 Retirement Program.--Each community college may implement an
24 optional retirement program, if such program is established
25 therefor pursuant to s. 240.319(4)(r), under which annuity
26 contracts providing retirement and death benefits may be
27 purchased by, and on behalf of, eligible employees who
28 participate in the program. Except as otherwise provided
29 herein, this retirement program, which shall be known as the
30 State Community College System Optional Retirement Program,
31

1 may be implemented and administered only by an individual
2 community college or by a consortium of community colleges.

3 (4)(a) Through June 30, 2001, each college must
4 contribute on behalf of each program participant an amount
5 equal to the normal cost portion of the employer retirement
6 contribution which would be required if the program
7 participant were a member of the Regular Class of the Florida
8 Retirement System as provided in s. 121.071, plus the portion
9 of the contribution rate required in s. 112.363(8) that would
10 otherwise be assigned to the Retiree Health Insurance Subsidy
11 Trust Fund.Effective July 1, 2001, each college must
12 contribute on behalf of each program participant an amount
13 equal to 10.43 percent of the participant's gross monthly
14 compensation. The college shall deduct, ~~and less~~ an amount
15 approved by the community college to provide for the
16 administration of the optional retirement program. Payment of
17 this contribution must be made either directly by the
18 community college or through the program administrator to the
19 designated company contracting for payment of benefits to the
20 program participant.

21 (b) Each community college must contribute on behalf
22 of each program participant an amount equal to the unfunded
23 actuarial accrued liability portion of the employer
24 contribution which would be required if the program
25 participant were a member of the Regular Class of the Florida
26 Retirement System. Payment of this contribution must be made
27 directly by the college to the department for deposit in the
28 Florida Retirement System Trust Fund.

29 (c) Each program participant who has executed an
30 annuity contract may contribute by way of salary reduction or
31 deduction a percentage of the program participant's gross

1 compensation, but this percentage may not exceed the
2 corresponding percentage contributed by the community college
3 to the optional retirement program. Payment of this
4 contribution may be made either directly by the college or
5 through the program administrator to the designated company
6 contracting for payment of benefits to the program
7 participant.

8 (d) Contributions to an optional retirement program by
9 a college or a program participant are in addition to, and
10 have no effect upon, contributions required now or in future
11 by the federal Social Security Act.

12 Section 9. (1) It is the intent of the Legislature
13 that the normal costs attributable to the actuarial experience
14 study and six-year vesting as determined by Milliman &
15 Robertson, Inc., consulting actuaries for the system, shall be
16 funded by recognition of a lump sum from the excess actuarial
17 assets of the Florida Retirement System Trust Fund. For fiscal
18 year 2001-2002, the lump sum to be recognized shall be the
19 annual cost attributable to the actuarial experience study and
20 six-year vesting.

21 (2) Effective July 1, 2001, for fiscal year 2001-2002
22 only, the contribution rates set forth in sections 1 through 3
23 of this act shall be reduced as follows:

24 (a) The contribution rate that applies to the Regular
25 Class of the Florida Retirement System defined benefit program
26 shall be reduced by 0.70 percentage points.

27 (b) The contribution rate that applies to the Special
28 Risk Class of the Florida Retirement System defined benefit
29 program shall be reduced by 1.72 percentage points.

30 (c) The contribution rate that applies to the Special
31 Risk Administrative Support Class of the Florida Retirement

1 System defined benefit program shall be reduced by 0.81
2 percentage points.

3 (d) The contribution rate that applies to the Judicial
4 subclass of the Elected Officers' Class of the Florida
5 Retirement System defined benefit program shall be reduced by
6 0.14 percentage points.

7 (e) The contribution rate that applies to the
8 legislative-attorney-Cabinet subclass of the Elected Officers'
9 Class of the Florida Retirement System defined benefit program
10 shall be reduced by 0.83 percentage points.

11 (f) The contribution rate that applies to the County
12 Officers' subclass of the Elected Officers' Class of the
13 Florida Retirement System defined benefit program shall be
14 reduced by 0.56 percentage points.

15 (g) The contribution rate that applies to the Senior
16 Management Service Class of the Florida Retirement System
17 defined benefit program shall be reduced by 0.54 percentage
18 points.

19 Section 10. (1) Effective July 1, 2001, for fiscal
20 year 2001-2002 only, the contribution rates for the defined
21 benefit program for the Regular Class, Special Risk Class,
22 Special Risk Administrative Support Class, each subclass of
23 the Elected Officers' Class, and the Senior Management Service
24 Class each shall be reduced by 3.02 percentage points. These
25 reductions shall be in addition to all other changes to such
26 contribution rates which may be enacted into law after July 1,
27 2001.

28 (2) It is the intent of the Legislature that the costs
29 attributable to the reduction of contribution rates pursuant
30 to subsection (1) shall be funded by recognition of a lump sum
31 equal to the annual cost attributable to this reduction of the

1 contribution rates from the excess actuarial assets of the
2 Florida Retirement System Trust Fund.

3 Section 11. Section 20 of chapter 2000-169, Laws of
4 Florida, is repealed.

5 Section 12. The Legislature finds that a proper and
6 legitimate state purpose is served when employees, officers,
7 and retirees of the state and of its political subdivisions,
8 and the dependents, survivors, and beneficiaries of such
9 employees, officers, and retirees, are extended the basic
10 protections afforded by governmental retirement systems that
11 provide fair and adequate benefits and that are managed,
12 administered, and funded in an actuarially sound manner, as
13 required by s. 14 of Art. X of the State Constitution and part
14 VII of chapter 112 of the Florida Statutes. Therefore, the
15 Legislature hereby determines and declares that the provisions
16 of this act fulfill an important state interest.

17 Section 13. Paragraph (f) is added to subsection (8)
18 of section 112.363, Florida Statutes, to read:

19 112.363 Retiree health insurance subsidy.--

20 (8) CONTRIBUTIONS.--For purposes of funding the
21 insurance subsidy provided by this section:

22 (f) Beginning July 1, 2001, the employer of each
23 member of a state-administered plan shall contribute 1.11
24 percent of gross compensation each pay period.

25
26 Such contributions shall be submitted to the Department of
27 Management Services and deposited in the Retiree Health
28 Insurance Subsidy Trust Fund.

29 Section 14. Paragraph (c) of subsection (7) of section
30 121.052, Florida Statutes, is amended to read:

31 121.052 Membership class of elected officers.--

1 (7) CONTRIBUTIONS.--

2 (c) The following table states the required employer
 3 contribution on behalf of each member of the Elected Officers'
 4 Class in terms of a percentage of the member's gross
 5 compensation. Such contribution constitutes the entire health
 6 insurance subsidy contribution with respect to the member. A
 7 change in the contribution rate is effective with the first
 8 salary paid on or after the beginning date of the change. The
 9 retiree health insurance subsidy contribution rate is as
 10 follows:

12 Dates of Contribution	Contribution
13 Rate Changes	Rate
15 October 1, 1987, through December 31, 1988	0.24%
16 January 1, 1989, through December 31, 1993	0.48%
17 January 1, 1994, through December 31, 1994	0.56%
18 January 1, 1995, through June 30, 1998	0.66%
19 Effective July 1, 1998, <u>through June 30,</u>	0.94%
20 <u>2001</u>	
21 <u>Effective July 1, 2001</u>	<u>1.11%</u>

22
 23 Such contributions shall be deposited by the administrator in
 24 the Retiree Health Insurance Subsidy Trust Fund.

25 Section 15. Paragraph (c) of subsection (3) of section
 26 121.055, Florida Statutes, is amended to read:

27 121.055 Senior Management Service Class.--There is
 28 hereby established a separate class of membership within the
 29 Florida Retirement System to be known as the "Senior
 30 Management Service Class," which shall become effective
 31 February 1, 1987.

1 (3)
 2 (c) The following table states the required employer
 3 contribution on behalf of each member of the Senior Management
 4 Service Class in terms of a percentage of the member's gross
 5 compensation. Such contribution constitutes the entire health
 6 insurance subsidy contribution with respect to the member. A
 7 change in the contribution rate is effective with the first
 8 salary paid on or after the beginning date of the change. The
 9 retiree health insurance subsidy contribution rate is as
 10 follows:

12 Dates of Contribution	Contribution
13 Rate Changes	Rate
15 October 1, 1987, through December 31, 1988	0.24%
16 January 1, 1989, through December 31, 1993	0.48%
17 January 1, 1994, through December 31, 1994	0.56%
18 January 1, 1995, through June 30, 1998	0.66%
19 Effective July 1, 1998, <u>through June 30,</u>	0.94%
20 <u>2001</u>	
21 <u>Effective July 1, 2001</u>	<u>1.11%</u>

22
 23 Such contributions shall be deposited by the administrator in
 24 the Retiree Health Insurance Subsidy Trust Fund.

25 Section 16. Subsection (4) of section 121.071, Florida
 26 Statutes, is amended to read:

27 121.071 Contributions.--Contributions to the system
 28 shall be made as follows:

29 (4) The following table states the required employer
 30 contribution on behalf of each member of the Regular Class,
 31 Special Risk Class, or Special Risk Administrative Support

1 Class in terms of a percentage of the member's gross
 2 compensation. Such contribution constitutes the entire health
 3 insurance subsidy contribution with respect to the member. A
 4 change in the contribution rate is effective with the first
 5 salary paid on or after the beginning date of the change. The
 6 retiree health insurance subsidy contribution rate is as
 7 follows:

9 Dates of Contribution	Contribution
10 Rate Changes	Rate
12 October 1, 1987, through December 31, 1988	0.24%
13 January 1, 1989, through December 31, 1993	0.48%
14 January 1, 1994, through December 31, 1994	0.56%
15 January 1, 1995, through June 30, 1998	0.66%
16 Effective <u>July 1, 1998, through June 30,</u>	0.94%
17 <u>2001</u>	
18 <u>Effective July 1, 2001</u>	<u>1.11%</u>

19
 20 Such contributions shall be deposited by the administrator in
 21 the Retiree Health Insurance Subsidy Trust Fund.

22 Section 17. Subsection (4) of section 121.571, Florida
 23 Statutes, is amended to read:

24 121.571 Contributions.--Contributions to the Public
 25 Employee Optional Retirement Program shall be made as follows:

26 (4) CONTRIBUTIONS FOR SOCIAL SECURITY COVERAGE AND FOR
 27 RETIREE HEALTH INSURANCE SUBSIDY.--Contributions required
 28 under this section shall be in addition to employer and member
 29 contributions required for social security and the Retiree
 30 Health Insurance Subsidy Trust Fund as provided in ss.
 31 112.363, 121.052, 121.055, and ~~s-~~121.071, as appropriate.

1 Section 18. The Legislature finds that a proper and
2 legitimate state purpose is served when employees, officers,
3 and retirees of the state and of its political subdivisions,
4 and the dependents, survivors, and beneficiaries of such
5 employees, officers, and retirees, are extended the basic
6 protections afforded governmental retirement systems that
7 provide fair and adequate benefits, including health insurance
8 subsidies, and that are managed, administered, and funded in a
9 reasonable manner. Therefore, the Legislature hereby
10 determines and declares that the provisions of this act
11 fulfill an important state interest.

12 Section 19. This act shall take effect July 1, 2001.

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