By Senator Webster

9-742-06

A bill to be entitled 2 An act relating to the Special Risk Class of the Florida Retirement System; amending s. 3 121.021, F.S.; redefining the term "average 4 5 final compensation" with respect to members of 6 the Special Risk Class; adjusting contribution 7 rates to fund the modification in average final 8 compensation; providing legislative findings; providing an effective date. 9 10 Be It Enacted by the Legislature of the State of Florida: 11 12 13 Section 1. Subsection (24) of section 121.021, Florida Statutes, is amended to read: 14 121.021 Definitions.--The following words and phrases 15 as used in this chapter have the respective meanings set forth 16 17 unless a different meaning is plainly required by the context: (24) "Average final compensation" means the average of 18 the 5 highest fiscal years of compensation for creditable 19 service prior to retirement, termination, or death; however, 20 "average final compensation" applicable to a member of the 2.1 Special Risk Class means the average of the 3 highest fiscal 22 23 years of compensation for creditable service prior to retirement, termination, or death. For in-line-of-duty 2.4 disability benefits, if less than the number of years of 25 creditable service specified for calculating average final 26 27 compensation has 5 years of creditable service have been 2.8 completed, the term "average final compensation" means the average annual compensation of the total number of years of 29 creditable service. Each year used in the calculation of 30 average final compensation shall commence on July 1.

1	(a) The average final compensation shall include:
2	1. Accumulated annual leave payments, not to exceed
3	500 hours; and
4	2. All payments defined as compensation in subsection
5	(22).
6	(b) The average final compensation shall not include:
7	1. Compensation paid to professional persons for
8	special or particular services;
9	2. Payments for accumulated sick leave made due to
10	retirement or termination;
11	3. Payments for accumulated annual leave in excess of
12	500 hours;
13	4. Bonuses as defined in subsection (47);
14	5. Third party payments made on and after July 1,
15	1990; or
16	6. Fringe benefits (for example, automobile allowances
17	or housing allowances).
18	Section 2. Effective July 1, 2006, for the purpose of
19	funding the 3-year average final compensation benefit change
20	made by this act:
21	(1) The contribution rate that applies to the Special
22	Risk Class of the Florida Retirement System shall be increased
23	by 2.36 percentage points.
24	(2) The contribution rate that applies to the Special
25	Risk Administrative Support Class of the Florida Retirement
26	System shall be increased by 2.54 percentage points.
27	(3) The contribution rate that applies to the
28	<u>legislative-attorney-Cabinet subclass of the Elected Officers'</u>
29	Class of the Florida Retirement System shall be increased by
30	0.01 percentage points.
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1	(4) The contribution rate that applies to the Senior
2	Management Service Class of the Florida Retirement System
3	shall be increased by 0.01 percentage points.
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5	These increases shall be in addition to all other changes to
6	contribution rates which may be enacted into law to take
7	effect on that date. The Division of Statutory Revision is
8	directed to adjust the contribution rates set forth in s.
9	121.71(3), Florida Statutes.
10	Section 3. The Legislature finds that a proper and
11	legitimate state purpose is served when employees and retirees
12	of the state and of its political subdivisions, and the
13	dependents, survivors, and beneficiaries of such employees and
14	retirees, are extended the basic protections afforded by
15	governmental retirement systems that provide fair and adequate
16	benefits and that are managed, administered, and funded in an
17	actuarially sound manner as required by s. 14, Art. X of the
18	State Constitution and part VII of chapter 112, Florida
19	Statutes. Therefore, the Legislature determines and declares
20	that this act fulfills an important state interest.
21	Section 4. This act shall take effect July 1, 2006.
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24	SENATE SUMMARY
25	Redefines "average final compensation" for members of the
26	Special Risk Class to be the average of the 3 highest, instead of 5 highest, fiscal years of compensation.
27	Adjusts compensation rates to fund such change. Provides legislative findings with respect to government-employee
28	retirement programs. Provides for inclusion of code compliance officers of the Division of State Fire Marshal
29	and Agency for Health Care Administration in the Special Risk Class.
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