Florida Senate - 2007

By Senator Saunders

37-793-07 1 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 б 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 21 "average final compensation" applicable to a member of the 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 26 creditable service specified for calculating average final 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. 31

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1 (a) The average final compensation shall include: 2 1. Accumulated annual leave payments, not to exceed 500 hours; and 3 4 2. All payments defined as compensation in subsection 5 (22).б (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; 3. Payments for accumulated annual leave in excess of 11 12 500 hours; 4. Bonuses as defined in subsection (47); 13 5. Third party payments made on and after July 1, 14 1990; or 15 6. Fringe benefits (for example, automobile allowances 16 17 or housing allowances). 18 Section 2. Effective July 1, 2007, for the purpose of funding the 3-year average final compensation benefit change 19 made by this act: 20 21 (1) The contribution rate that applies to the Special Risk Class of the Florida Retirement System shall be increased 2.2 23 by 2.36 percentage points. (2) The contribution rate that applies to the Special 2.4 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 2.8 legislative-attorney-Cabinet subclass of the Elected Officers' Class of the Florida Retirement System shall be increased by 29 30 0.01 percentage points. 31

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1 (4) The contribution rate that applies to the Senior 2 Management Service Class of the Florida Retirement System shall be increased by 0.01 percentage points. 3 4 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. 121.71(3), Florida Statutes. 9 10 Section 3. The Legislature finds that a proper and legitimate state purpose is served when employees and retirees 11 12 of the state and of its political subdivisions, and the 13 dependents, survivors, and beneficiaries of such employees and retirees, are extended the basic protections afforded by 14 governmental retirement systems that provide fair and adequate 15 benefits and that are managed, administered, and funded in an 16 17 actuarially sound manner as required by s. 14, Art. X of the 18 State Constitution and part VII of chapter 112, Florida Statutes. Therefore, the Legislature determines and declares 19 that this act fulfills an important state interest. 20 21 Section 4. This act shall take effect July 1, 2007. 2.2 ****** 23 SENATE SUMMARY 2.4 25 Redefines "average final compensation" for members of the Special Risk Class to be the average of the 3 highest, instead of 5 highest, fiscal years of compensation. 26 Adjusts compensation rates to fund such change. Provides 27 legislative findings with respect to government-employee retirement programs. 28 29 30 31

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