

## ENROLLED

HB 7085, Engrossed 1

2007 Legislature

1                                   A bill to be entitled  
2           An act relating to retirement; amending s. 121.71, F.S.;  
3           revising the payroll contribution rates for the membership  
4           classes of the Florida Retirement System for the state  
5           fiscal years effective July 1, 2007, and July 1, 2008;  
6           providing a declaration of important state interest;  
7           providing an effective date.

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9   Be It Enacted by the Legislature of the State of Florida:

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11           Section 1.   Section 121.71, Florida Statutes, is amended to  
12   read:

13           121.71   Uniform rates; process; calculations; levy.--

14           (1)   In conducting the system actuarial study required  
15   under s. 121.031, the actuary shall follow all requirements  
16   specified thereunder to determine, by Florida Retirement System  
17   employee membership class, the dollar contribution amounts  
18   necessary for the forthcoming fiscal year for the defined  
19   benefit program. In addition, the actuary shall determine, by  
20   Florida Retirement System membership class, based on an estimate  
21   for the forthcoming fiscal year of the gross compensation of  
22   employees participating in the optional retirement program, the  
23   dollar contribution amounts necessary to make the allocations  
24   required under ss. 121.72 and 121.73. For each employee  
25   membership class and subclass, the actuarial study shall  
26   establish a uniform rate necessary to fund the benefit  
27   obligations under both Florida Retirement System retirement  
28   plans, by dividing the sum of total dollars required by the

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29 | estimated gross compensation of members in both plans.

30 |       (2) Based on the uniform rates set forth in subsection  
 31 | (3), employers shall make monthly contributions to the Division  
 32 | of Retirement, which shall initially deposit the funds into the  
 33 | Florida Retirement System Contributions Clearing Trust Fund. A  
 34 | change in a contribution rate is effective the first day of the  
 35 | month for which a full month's employer contribution may be made  
 36 | on or after the beginning date of the change.

37 |       (3) Required employer retirement contribution rates for  
 38 | each membership class and subclass of the Florida Retirement  
 39 | System for both retirement plans are as follows:

	Percentage of Gross Compensation, Effective	Percentage of Gross Compensation, Effective
Membership Class	July 1, <del>2006</del> <u>2007</u>	July 1, <del>2007</del> <u>2008</u>
Regular Class	8.69%	<u>9.59%</u> <del>9.55%</del>
Special Risk Class	19.76%	<u>22.01%</u> <del>21.96%</del>
Special Risk Administrative Support Class	11.39%	<u>11.90%</u> <del>12.65%</del>
Elected Officers' Class-- Legislators, Governor, Lt. Governor, Cabinet Officers,	13.32%	<u>14.99%</u> <del>14.80%</del>

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State Attorneys, Public Defenders			
Elected Officers' Class--	18.40%	<u>20.46%</u>	<del>20.44%</del>
Justices, Judges			
Elected Officers' Class--	15.37%	<u>17.15%</u>	<del>17.08%</del>
County Elected Officers			
Senior Management Class	11.96%	<u>13.35%</u>	<del>13.29%</del>
DROP	9.80%		10.89%

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(4) The state actuary shall recognize and use an appropriate level of available excess assets of the Florida Retirement System Trust Fund to offset the difference between the normal costs of the Florida Retirement System and the statutorily prescribed contribution rates.

Section 2. The Legislature finds that a proper and legitimate state purpose is served when employees and retirees of the state and its political subdivisions, and the dependents, survivors, and beneficiaries of such employees and retirees, are extended the basic protections afforded by governmental retirement systems. These persons must be provided benefits that are fair and adequate and that are managed, administered, and funded in an actuarially sound manner, as required by Section 14, Article X of the State Constitution, and part VII of chapter 112, Florida Statutes. Therefore, the Legislature determines and

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56 | declares that this act fulfills an important state interest.

57 | Section 3. This act shall take effect July 1, 2007.