

Amendment No.

CHAMBER ACTION

Senate

House

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The Conference Committee on HB 5005 offered the following:

**Conference Committee Amendment (with title amendment)**

Remove everything after the enacting clause and insert:

Section 1. Paragraph (c) of subsection (5) of section 121.4501, Florida Statutes, is amended to read:

121.4501 Florida Retirement System Investment Plan.—

(5) CONTRIBUTIONS.—

(c) The state board, acting as plan fiduciary, must ensure that all plan assets are held in a trust, pursuant to s. 401 of the Internal Revenue Code. The fiduciary must ensure that such contributions are allocated as follows:

1. The employer and employee contribution portion earmarked for member accounts shall be used to purchase

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15 interests in the appropriate investment vehicles as specified by  
16 the member, or in accordance with paragraph (4) (d).

17 2. The employer contribution portion earmarked for  
18 administrative and educational expenses shall be transferred to  
19 the state board's Administrative ~~Florida Retirement System~~  
20 ~~Investment Plan~~ Trust Fund.

21 3. The employer contribution portion earmarked for  
22 disability benefits shall be transferred to the Florida  
23 Retirement System Trust Fund.

24 Section 2. Subsections (4) and (5) of section 121.71,  
25 Florida Statutes, are amended to read:

26 121.71 Uniform rates; process; calculations; levy.-

27 (4) Required employer retirement contribution rates for  
28 each membership class and subclass of the Florida Retirement  
29 System for both retirement plans are as follows:  
30

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2016</u> <del>2015</del>
Regular Class	<u>2.97%</u> <del>2.91%</del>

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34	Special Risk Class	11.35%
	Special Risk	
	Administrative	
35	Support Class	<u>3.87%</u> <del>3.71%</del>
	Elected Officers' Class—	
	Legislators, Governor,	
	Lt. Governor,	
	Cabinet Officers,	
	State Attorneys,	
36	Public Defenders	<u>6.63%</u> <del>6.48%</del>
	Elected Officers' Class—	
	Justices, Judges	<u>11.68%</u> <del>11.39%</del>
37	Elected Officers' Class—	
	County Elected Officers	<u>8.55%</u> <del>8.48%</del>
38	Senior Management Class	<u>4.38%</u> <del>4.32%</del>
39	DROP	<u>4.17%</u> <del>4.10%</del>
40		

41           (5) In order to address unfunded actuarial liabilities of  
42 the system, the required employer retirement contribution rates

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43 for each membership class and subclass of the Florida Retirement  
44 System for both retirement plans are as follows:

45  
46

Percentage of  
Gross  
Compensation,  
Effective  
July 1, 2016 ~~2015~~

Membership Class

47

48

Regular Class

2.83% ~~2.65%~~

49

Special Risk Class

8.92% ~~8.99%~~

50

Special Risk

Administrative

Support Class

22.47% ~~27.54%~~

51

Elected Officers' Class—

Legislators, Governor,

Lt. Governor,

Cabinet Officers,

State Attorneys,

Public Defenders

33.75% ~~37.62%~~

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Elected Officers' Class-	
Justices, Judges	<u>23.30%</u> <del>22.62%</del>

53

Elected Officers' Class-	
County Elected Officers	<u>32.20%</u> <del>32.09%</del>

54

Senior Management Service Class	<u>15.67%</u> <del>15.41%</del>
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DROP	<u>7.10%</u> <del>7.12%</del>
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57       Section 3. Section 121.74, Florida Statutes, is amended to  
58 read:

59       121.74 Administrative and educational expenses.—In  
60 addition to contributions required to fund member accounts under  
61 ss. 121.71 and 121.73, effective July 1, 2010, through June 30,  
62 2014, employers participating in the Florida Retirement System  
63 shall contribute an employer assessment amount equal to 0.03  
64 percent of the payroll reported for each class or subclass of  
65 Florida Retirement System membership. Effective July 1, 2014,  
66 the employer assessment is 0.04 percent of the payroll reported  
67 for each class or subclass of membership. Effective July 1,  
68 2016, the employer assessment is 0.06 percent of the payroll  
69 reported for each class or subclass of membership. The amount  
70 assessed shall be transferred by the Division of Retirement from  
71 the Florida Retirement System Contributions Clearing Trust Fund

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72 to the State Board of Administration's Administrative Trust Fund  
 73 to offset the costs of administering the investment plan and the  
 74 costs of providing educational services to members of the  
 75 Florida Retirement System. Approval of the trustees is required  
 76 before the expenditure of these funds. Payments for third-party  
 77 administrative or educational expenses shall be made only  
 78 pursuant to the terms of the approved contracts for such  
 79 services.

80 Section 4. The Legislature finds that a proper and  
 81 legitimate state interest is served when employees, officers,  
 82 and retirees of the state and its political subdivisions, and  
 83 the dependents, survivors, and beneficiaries of such employees,  
 84 officers, and retirees, are extended the basic protections  
 85 afforded by governmental retirement systems. These persons must  
 86 be provided benefits that are fair and adequate and that are  
 87 managed, administered, and funded in an actuarially sound  
 88 manner, as required by s. 14, Article X of the State  
 89 Constitution and part VII of chapter 112, Florida Statutes.  
 90 Therefore, the Legislature determines and declares that this act  
 91 fulfills an important state interest.

92 Section 5. This act shall take effect July 1, 2016.

93  
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95 **T I T L E A M E N D M E N T**

96 Remove everything before the enacting clause and insert:

97 A bill to be entitled

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98 An act relating to state-administered retirement  
99 systems; amending s. 121.4501, F.S.; correcting a  
100 reference to the trust fund to which certain employer  
101 assessments are transferred; amending s. 121.71, F.S.;  
102 revising required employer retirement contribution  
103 rates for each membership class and subclass of the  
104 Florida Retirement System; amending s. 121.74, F.S.;  
105 revising the employer assessment rate for offsetting  
106 administrative and educational costs related to the  
107 Florida Retirement System; providing a declaration of  
108 important state interest; providing an effective date.

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