

Governor's Budget Recommendation Conforming Bill
Florida Retirement System

1 A bill to be entitled
2 An act relating to state-administered retirement systems;
3 Amending s. 121.101, F.S.; providing a supplemental cost-
4 of-living adjustment; amending s. 121.71, F.S.; revising
5 employer retirement contribution rates for each membership
6 class and subclass of the Florida Retirement System;
7 amending s. 121.72, F.S.; revising allocations to
8 investment plan member accounts; providing for adjustments
9 to employer retirement contribution rates necessitated by
10 changes made by the act; providing a declaration of
11 important state interest; providing an effective date.

12
13 Be It Enacted by the Legislature of the State of Florida:

14
15 Section 1. Subsection (10) is added to section 121.101,
16 Florida Statutes to read:

17 121.101 Cost-of-living adjustments of benefits.—

18 (10) The purpose of this subsection is to establish a
19 supplemental cost-of-living adjustment to address rising
20 inflation.

21 (a) The monthly benefit for members whose effective
22 retirement date is on or before June 30, 2022 shall be adjusted
23 as of October 1, 2023. The amount of monthly benefit payable for
24 the 9-month period commencing on the adjustment date shall be
25 the amount of the monthly benefit being received on September
26 30, 2023 plus an amount equal to 4.0% of this benefit.

27 (b) The monthly benefit amount determined in paragraph (a)
28 of this subsection shall be used in the calculation of the cost-
29 of-living adjustment on July 1, 2024.

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30
31 Section 2. Subsections (4) and (5) of section 121.71,
32 Florida Statutes, are amended to read:
33 121.71 Uniform rates; process; calculations; levy.—
34 (4) Required employer retirement contribution rates for
35 each membership class and subclass of the Florida Retirement
36 System for both retirement plans are as follows:

37		Percentage of	
38		Gross	
39		Compensation,	
40		Effective	
41		July 1, <u>2023</u>	2022
42	Membership Class		
43			
44	Regular Class	<u>6.14%</u>	5.96%
45	Special Risk Class	<u>17.05%</u>	16.44%
46	Special Risk		
47	Administrative		
48	Support Class	<u>10.75%</u>	10.77%
49	Elected Officers' Class—		
50	Legislators, Governor,		
51	Lt. Governor,		
52	Cabinet Officers,		
53	State Attorneys,		
54	Public Defenders	<u>9.69%</u>	9.31%
55	Elected Officers' Class—		
56	Justices, Judges	<u>14.64%</u>	14.41%
57	Elected Officers' Class—		
58	County Elected Officers	<u>11.74%</u>	11.30%

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59	Senior Management Service Class	<u>7.90%</u>	7.70%
60	DROP	<u>8.18%</u>	7.79%

61

62 5) In order to address unfunded actuarial liabilities of

63 the system, the required employer retirement contribution rate

64 for each membership class and subclass of the Florida Retirement

65 System for both retirement plans are as follows:

		Percentage of	
		Gross	
		Compensation,	
		Effective	
71	Membership Class	July 1, <u>2023</u>	2022
72			
73	Regular Class	<u>4.72%</u>	4.23%
74	Special Risk Class	<u>10.83%</u>	9.67%
75	Special Risk		
76	Administrative		
77	Support Class	<u>25.02%</u>	26.16%
78	Elected Officers' Class—		
79	Legislators, Governor,		
80	Lt. Governor,		
81	Cabinet Officers,		
82	State Attorneys,		
83	Public Defenders	<u>49.85%</u>	56.76%
84	Elected Officers' Class—		
85	Justices, Judges	<u>27.63%</u>	27.64%
86	Elected Officers' Class—		
87	County Elected Officers	<u>44.04%</u>	43.98%

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88 Senior Management Service Class 23.61% ~~22.15%~~

89 DROP 10.01% ~~9.15%~~

90

91 Section 3. Subsection (6) of section 121.72, Florida
92 Statutes, is amended and subsection (7) is added to that section
93 to read:

94 121.72 Allocations to investment plan member accounts;
95 percentage amounts.—

96 (6) Effective July 1, 2022, through June 30, 2023,
97 allocations from the Florida Retirement System Contributions
98 Clearing Trust Fund to investment plan member accounts are as
99 follows:

100

101 Membership Class	Percentage of Gross 102 Compensation
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103

104 Regular Class	9.30%
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105 Special Risk Class	17.00%
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106 Special Risk Administrative Support Class	10.95%
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107 Elected Officers' Class—

108 Legislators, Governor,

109 Lt. Governor, Cabinet Officers,

110 State Attorneys, Public Defenders	12.38%
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111 Elected Officers' Class—

112 Justices, Judges	16.23%
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113 Elected Officers' Class—

114 County Elected Officers	14.34%
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115 Senior Management Service Class	10.67%
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117 (7) Effective July 1, 2023, allocations from the Florida
118 Retirement System Contributions Clearing Trust Fund to
119 investment plan member accounts are as follows:

<u>Membership Class</u>	<u>Percentage of Gross</u> <u>Compensation</u>
<u>Regular Class</u>	<u>12.30%</u>
<u>Special Risk Class</u>	<u>20.00%</u>
<u>Special Risk Administrative Support Class</u>	<u>13.95%</u>
<u>Elected Officers' Class—</u> <u>Legislators, Governor,</u> <u>Lt. Governor, Cabinet Officers,</u> <u>State Attorneys, Public Defenders</u>	<u>15.38%</u>
<u>Elected Officers' Class—</u> <u>Justices, Judges</u>	<u>19.23%</u>
<u>Elected Officers' Class—</u> <u>County Elected Officers</u>	<u>17.34%</u>
<u>Senior Management Service Class</u>	<u>13.67%</u>

136
137 Section 4. (1) In order to fund the benefit changes
138 provided in section 1. of this act, the required employer
139 contribution rates for members of the Florida Retirement System
140 established in s. 121.71(5), Florida Statutes, must be increased
141 as follows:

<u>Percentage of</u> <u>Gross</u> <u>Compensation,</u>
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<u>Membership Class</u>	<u>Effective</u>
148 <u>Regular Class</u>	0.80%
149 <u>Special Risk Class</u>	1.29%
150 <u>Special Risk Administrative Support Class</u>	3.61%
151 <u>Elected Officers' Class- Legislators,</u>	
152 <u>Governor, Lt. Governor, Cabinet Officers,</u>	
153 <u>State Attorneys, Public Defenders</u>	2.42%
154 <u>Elected Officers' Class- Justices, Judges</u>	2.10%
155 <u>Elected Officers' Class- County Elected Officers</u>	2.01%
156 <u>Senior Management Service Class</u>	1.27%
157 <u>DROP</u>	1.84%

158

159 (2) The adjustments provided in subsection (1) shall be in
 160 addition to all other changes to such contribution rates which
 161 may be enacted into law to take effect on July 1, 2023. The
 162 Division of Law Revision and Information is directed to adjust
 163 accordingly the contribution rates provided in s. 121.71,
 164 Florida Statutes.

165

166 Section 5. (1) In order to fund the benefit changes
 167 provided in section 3. of this act, the required employer
 168 contribution rates for members of the Florida Retirement System
 169 established in s. 121.71(4), Florida Statutes, must be increased
 170 as follows:

171

172 Percentage of

173 Gross

174 Compensation,

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<u>Membership Class</u>	<u>Effective</u>
<u>Regular Class</u>	<u>0.85%</u>
<u>Special Risk Class</u>	<u>0.43%</u>
<u>Special Risk Administrative Support Class</u>	<u>0.77%</u>
<u>Elected Officers' Class- Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders</u>	<u>1.16%</u>
<u>Elected Officers' Class- Justices, Judges</u>	<u>0.53%</u>
<u>Elected Officers' Class- County Elected Officers</u>	<u>1.05%</u>
<u>Senior Management Service Class</u>	<u>0.90%</u>

(2) The adjustments provided in subsection (1) shall be in addition to all other changes to such contribution rates which may be enacted into law to take effect on July 1, 2023. The Division of Law Revision and Information is directed to adjust accordingly the contribution rates provided in s. 121.71, Florida Statutes.

Section 6. The Legislature finds that a proper and legitimate state purpose is served when employees, officers, and retirees of the state and its political subdivisions, and the dependents, survivors, and beneficiaries of such employees, officers, 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 s. 14, Article X of the State Constitution and part VII of chapter 112, Florida Statutes. Therefore, the

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204 | Legislature determines and declares that this act fulfills an
205 | important state interest.

206

207 | Section 7. This act shall take effect upon becoming law.