

1988

Session Law 88-382

Florida Senate & House of Representatives

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LEGISLATIVE SUPPLEMENT "B" - SESSION LAW ABSTRACT

Sess. Law # 88-382	Sec. # 4	LOF cite v.I, pt 3 pp. 2087 ff
Prime Bill # H 1497	Comp./Sim. Bills SB 1343, HB 239 etc.	
JLMC Hist. Cites	Senate House	Comms. of Ref. Senate <i>Personnel, Retiree. & APPROPRIATIONS</i> House <i>Retirement, Personnel - - -</i>

COMMITTEE RECORDS

H/S	Committee	Year	Record Series: Folder title, etc.	Loc. Cite	✓
H	Retirement	88	HB 1497 (1015)	19/1879	✓
"	"	"	HB 239 (P)	"	✓
H	APPROPS	88	HB 1497	19/1748	✓
S	Personnel	88	SB 1343 MF 5/3/53 (16/1801)	18/1852	✓
S	APPROPS	83	SB 1343	18/1721	
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Senate/House Journals

Page #	?	Date	Page #	?	Date

Committee/Floor Tapes

H/S	c/f	Committee/subcommittee name	Date	#	Location Cite

Other Documentation

Record Series Title, folder title, etc.	Location Cite

By the Committee on Retirement, Personnel & Collective Bargaining and Representative Martinez

1 A bill to be entitled
 2 An act relating to public retirement systems;
 3 amending s. 112.65, F.S., providing a new
 4 limitation of benefits for certain retirees;
 5 providing an effective date.
 6
 7 Be It Enacted by the Legislature of the State of Florida:
 8
 9 Section 1. Section 112.65, Florida Statutes, is
 10 amended to read:
 11 112.65 Limitation of benefits.--
 12 (1) The normal retirement benefit or pension payable
 13 to a retiree who becomes a member of any retirement system or
 14 plan and who has not previously participated in such plan, on
 15 or after January 1, 1980, shall not exceed 100 percent of his
 16 average final compensation. However, nothing contained in
 17 this section shall apply to supplemental retirement benefits
 18 or to pension increases attributable to cost-of-living
 19 increases or adjustments. As used in this section, the term
 20 "average final compensation" means the average of the member's
 21 earnings, over a period of time which the governmental entity
 22 has established by statute, charter, or ordinance, be limited
 23 in-the-following-manner:
 24 ~~(a)--If such member does not receive social security~~
 25 ~~benefits, his pension benefit shall not exceed 100 percent of~~
 26 ~~his average final compensation;~~
 27 ~~(b)--If such member receives social security benefits,~~
 28 ~~the sum of the member's pension benefit and the primary social~~
 29 ~~security benefit the member receives shall not exceed 100~~
 30 ~~percent of the member's average final compensation;~~
 31

1 ~~(c) -- Nothing contained in this section shall apply to~~
2 ~~supplemental retirement benefits or to pension increases~~
3 ~~attributable to cost-of-living increases or adjustments.~~
4 ~~(d) -- As used in this section, the term "social security~~
5 ~~benefits" shall not apply to social security benefits earned~~
6 ~~exclusively through nongovernmental employment or by a~~
7 ~~surviving beneficiary.~~
8 ~~(e) -- As used in this section, the term "average final~~
9 ~~compensation" means the average of the member's earnings,~~
10 ~~excluding payments for accumulated leave, compensatory time,~~
11 ~~and overtime over a period of time which the governmental~~
12 ~~entity has established by statute, charter, or ordinance.~~
13 (2) No member of a retirement system or plan covered
14 by this part who is not now a member of such plan shall be
15 allowed to receive a retirement benefit or pension which is in
16 part or in whole based upon any service with respect to which
17 the member is already receiving, or will receive in the
18 future, a retirement benefit or pension from another
19 retirement system or plan; provided that this restriction does
20 not apply to social security coverage or benefits or federal
21 benefits under chapter 67, Title 10, U.S. Code.
22 Section 2. This act shall take effect July 1, 1988, or
23 upon becoming a law, whichever occurs later.
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HOUSE SUMMARY

Revises language with respect to limitations on retirement benefits or pensions payable to members of public retirement systems to provide that such benefits shall not exceed 100 percent of the member's average final compensation provided that this shall not apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments. Includes retirement benefits payable to retirees of the armed forces under an exemption from a restriction with respect to retirement benefits for members of public retirement systems.

This publication was produced at an average cost of 1.12 cents per single page in compliance with the Rules and for the information of members of the Legislature and the public.

By Senator Hair

This publication was produced at an estimated cost of 1.5 cents per page for the information of members of the Legislature and the public.

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A bill to be entitled
An act relating to retirement; amending s.
112.363, F.S.; revising the effective date of
contribution rate increases with respect to the
retiree health insurance subsidy; amending s.
121.031, F.S.; repealing language requiring
benefit increases to be amortized over a 15-
year period; amending s. 121.052, F.S.;
revising contribution rates applicable to
members of the Elected State Officers' Class;
providing a contribution rate for the Retiree
Health Insurance Subsidy; amending s. 121.055,
F.S.; revising the contribution rate applicable
to members of the Senior Management Service
Class; providing a contribution rate for the
retiree health insurance subsidy; amending s.
121.071, F.S.; revising contribution rates
applicable to members of the Regular Class,
Special Risk Class, and Special Risk
Administrative Support Class; providing a
contribution rate for the retiree health
insurance subsidy; amending s. 121.40, F.S.;
revising the contribution rate applicable to
Institute of Food and Agricultural Science
Supplemental Retirement Act; specifying intent
with respect to the contribution rates
specified in this act; providing an effective
date.

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

1 Section 1. Paragraph (b) of subsection (8) of section
2 112.363, Florida Statutes, is amended to read:

3 112.363 Retiree health insurance subsidy.--

4 (8) CONTRIBUTIONS.--For purposes of funding the
5 insurance subsidy provided by this section:

6 (b) Beginning January 1, 1989 ~~October 17, 1988~~, the
7 employer of each member of a state-administered retirement
8 plan shall contribute 0.48 percent of gross compensation each
9 pay period.

10

11 Such contributions shall be submitted to the Division of
12 Retirement and deposited in the Retiree Health Insurance
13 Subsidy Trust Fund.

14 Section 2. Subsection (4) of section 121.031, Florida
15 Statutes, is amended to read:

16 121.031 Administration of system; appropriation;
17 oaths; actuarial studies.--

18 (4) Notwithstanding the provisions of s. 112.64(4) to
19 the contrary, the net increase, if any, in unfunded liability
20 under the system arising from significant system amendments
21 adopted or changes in assumptions shall be amortized within 30
22 plan years ~~and the net increase, if any, in unfunded~~
23 ~~liability arising from experience losses or gains, or~~
24 ~~supplemental retiree benefit increases, shall be amortized~~
25 ~~within 15 plan years.~~

26 Section 3. Subsection (4) of section 121.052, Florida
27 Statutes, is amended to read:

28 121.052 Membership class of certain elected state
29 officers.--

30 (4)(a) The following table states the required
31 retirement contribution rates for members of the Elected State

1	<u>Officers' Class and their employers in terms of percentages of</u>		
2	<u>the members' gross compensation. Changes in the contribution</u>		
3	<u>rates are effective with the first salary paid on or after the</u>		
4	<u>beginning date of a change. Contributions shall be made or</u>		
5	<u>deducted as may be appropriate for each pay period and shall</u>		
6	<u>be in addition to the contributions required for social</u>		
7	<u>security and the Retiree Health Insurance Subsidy.</u>		
8	<u>Dates of Contribution</u>		
9	<u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
10	<u>July 1, 1972, through September 30, 1977</u>		
11	<u>Legislators</u>	<u>8%</u>	<u>8%</u>
12	<u>All other Members</u>	<u>8%</u>	<u>8%</u>
13	<u>October 1, 1977, through September 30, 1978</u>		
14	<u>Legislators</u>	<u>8%</u>	<u>8%</u>
15	<u>All other Members</u>	<u>4%</u>	<u>12%</u>
16	<u>October 1, 1978, through September 30, 1979</u>		
17	<u>Legislators</u>	<u>8%</u>	<u>10.57%</u>
18	<u>All other Members</u>	<u>4%</u>	<u>16.78%</u>
19	<u>October 1, 1979, through September 30, 1981</u>		
20	<u>Legislators</u>	<u>8%</u>	<u>10.57%</u>
21	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>4%</u>	<u>16.78%</u>
22	<u>All other Members</u>	<u>0%</u>	<u>20.78%</u>
23	<u>July 1, 1981, through June 30, 1984</u>		
24	<u>County Elected Officers</u>	<u>0%</u>	<u>19.30%</u>
25	<u>July 1, 1984, through September 30, 1984</u>		
26	<u>County Elected Officers</u>	<u>0%</u>	<u>20.25%</u>
27	<u>October 1, 1981, through September 30, 1984</u>		
28	<u>Legislators</u>	<u>0%</u>	<u>19.30%</u>
29	<u>Governor, Lt. Governor, Cabinet Officer</u>	<u>0%</u>	<u>21.03%</u>
30	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>20.95%</u>
31	<u>Justice, Judge</u>	<u>0%</u>	<u>22.55%</u>

1	<u>October 1, 1984, through September 30, 1986</u>		
2	<u>Legislators</u>	<u>0%</u>	<u>10.98%</u>
3	<u>Governor, Lt. Governor, Cabinet Officer</u>	<u>0%</u>	<u>10.98%</u>
4	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>10.98%</u>
5	<u>Justice, Judge</u>	<u>0%</u>	<u>21.79%</u>
6	<u>County Elected Officers</u>	<u>0%</u>	<u>16.97%</u>
7	<u>October 1, 1986, through December 31, 1988</u>		
8	<u>Legislators</u>	<u>0%</u>	<u>11.50%</u>
9	<u>Governor, Lt. Governor, Cabinet Officer</u>	<u>0%</u>	<u>11.50%</u>
10	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>11.50%</u>
11	<u>Justice, Judge</u>	<u>0%</u>	<u>20.94%</u>
12	<u>County Elected Officers</u>	<u>0%</u>	<u>17.19%</u>
13	<u>January 1, 1989, through December 31, 1989</u>		
14	<u>Legislators</u>	<u>0%</u>	<u>13.70%</u>
15	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>13.70%</u>
16	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>13.70%</u>
17	<u>Justice, Judge</u>	<u>0%</u>	<u>22.58%</u>
18	<u>County Elected Officers</u>	<u>0%</u>	<u>18.44%</u>
19	<u>January 1, 1990, through December 31, 1990</u>		
20	<u>Legislators</u>	<u>0%</u>	<u>15.91%</u>
21	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>15.91%</u>
22	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>15.91%</u>
23	<u>Justice, Judge</u>	<u>0%</u>	<u>24.22%</u>
24	<u>County Elected Officers</u>	<u>0%</u>	<u>19.71%</u>
25	<u>January 1, 1991, through December 31, 1991</u>		
26	<u>Legislators</u>	<u>0%</u>	<u>18.12%</u>
27	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>18.12%</u>
28	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>18.12%</u>
29	<u>Justice, Judge</u>	<u>0%</u>	<u>25.87%</u>
30	<u>County Elected Officers</u>	<u>0%</u>	<u>20.97%</u>
31	<u>January 1, 1992, through December 31, 1992</u>		

1	<u>Legislators</u>	<u>0%</u>	<u>20.33%</u>
2	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>20.33%</u>
3	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>20.33%</u>
4	<u>Justice, Judge</u>	<u>0%</u>	<u>27.51%</u>
5	<u>County Elected Officers</u>	<u>0%</u>	<u>22.24%</u>
6	<u>Effective January 1, 1993</u>		
7	<u>Legislators</u>	<u>0%</u>	<u>22.53%</u>
8	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>22.53%</u>
9	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>22.53%</u>
10	<u>Justice, Judge</u>	<u>0%</u>	<u>29.15%</u>
11	<u>County Elected Officers</u>	<u>0%</u>	<u>23.49%</u>

12 ~~(a)1. From and after October 17, 1978, and except as~~
13 ~~provided in this subsection, the employer paying the salary of~~
14 ~~a member of the Elected State Officers' Class shall withhold 8~~
15 ~~percent of his gross salary, which shall constitute the~~
16 ~~contribution of that member with respect to retirement and~~
17 ~~other benefits payable to members of this class, and one-half~~
18 ~~of the entire contribution of the member required for social~~
19 ~~security coverage. The employer withholding such~~
20 ~~contributions shall set aside the funds necessary to pay the~~
21 ~~matching contributions required pursuant to s. 121.061 and~~
22 ~~shall contribute an amount equal to 10.57 percent of such~~
23 ~~member's gross compensation and one-half of the entire~~
24 ~~contribution with respect to the member's social security~~
25 ~~coverage.~~

26 ~~2. From and after October 17, 1981, the employer paying~~
27 ~~the salary of any member of the Elected State Officers' Class~~
28 ~~who is a legislator shall contribute an amount equal to 19.3~~
29 ~~percent of such member's gross compensation, which shall~~
30 ~~constitute the entire contribution with respect to such~~
31 ~~member. From and after October 17, 1984, the employer paying~~

1 ~~the salary of any member of the Elected State Officers' Class~~
 2 ~~who is a legislator shall contribute an amount equal to 10.90~~
 3 ~~percent of such member's gross compensation, which shall~~
 4 ~~constitute the entire contribution with respect to such~~
 5 ~~member. From and after October 1, 1986, the employer paying~~
 6 ~~the salary of any member of the Elected State Officers' Class~~
 7 ~~who is a legislator shall contribute an amount equal to 11.50~~
 8 ~~percent of such member's gross compensation, which shall~~
 9 ~~constitute the entire contribution with respect to such~~
 10 ~~member. Effective October 1, 1987, the employer paying the~~
 11 ~~salary of any member of the Elected State Officers' Class who~~
 12 ~~is a legislator shall contribute an amount equal to 11.74~~
 13 ~~percent of such member's gross compensation, which shall~~
 14 ~~constitute the entire contribution with respect to such~~
 15 ~~member. Effective October 1, 1988, the employer paying the~~
 16 ~~salary of any member of the Elected State Officers' Class who~~
 17 ~~is a legislator shall contribute an amount equal to 11.90~~
 18 ~~percent of such member's gross compensation, which shall~~
 19 ~~constitute the entire contribution with respect to such~~
 20 ~~member. The employer shall, however, withhold one-half of the~~
 21 ~~entire contribution of the member required for social security~~
 22 ~~coverage.~~

23 ~~(b)1. From and after October 1, 1978, the employer~~
 24 ~~paying the salary of any member of the Elected State Officers'~~
 25 ~~Class who is a Governor, Lieutenant Governor, Cabinet officer,~~
 26 ~~Supreme Court justice, district court of appeal judge, circuit~~
 27 ~~judge, county court judge, state attorney, public service~~
 28 ~~commissioner, or public defender shall contribute an amount~~
 29 ~~equal to 16.78 percent of such member's gross compensation and~~
 30 ~~shall withhold 4 percent of such member's gross compensation,~~
 31 ~~the sum of which shall constitute the entire contribution with~~

1 ~~respect to such member. The employer shall, however, withhold~~
 2 ~~one-half of the entire contribution of the member required for~~
 3 ~~social security coverage. Effective July 17, 1979, any member~~
 4 ~~of the Elected State Officers' Class who is a public service~~
 5 ~~commissioner shall be removed from this class, shall become a~~
 6 ~~regular member on that date, and shall be subject to the~~
 7 ~~contribution provisions of a 121,071 which pertain to regular~~
 8 ~~members.~~

9 ~~2. From and after October 1, 1981, the employer paying~~
 10 ~~the salary of any member of the Elected State Officers' Class~~
 11 ~~who is a Governor, Lieutenant Governor, or Cabinet officer~~
 12 ~~shall contribute an amount equal to 21.03 percent of such~~
 13 ~~member's gross compensation, which shall constitute the entire~~
 14 ~~contribution with respect to such member. From and after~~
 15 ~~October 1, 1984, the employer paying the salary of any member~~
 16 ~~of the Elected State Officers' Class who is a Governor,~~
 17 ~~Lieutenant Governor, or Cabinet officer shall contribute an~~
 18 ~~amount equal to 18.98 percent of such member's gross~~
 19 ~~compensation, which shall constitute the entire contribution~~
 20 ~~with respect to such member. From and after October 1, 1986,~~
 21 ~~the employer paying the salary of any member of the Elected~~
 22 ~~State Officers' Class who is a Governor, Lieutenant Governor,~~
 23 ~~or Cabinet officer shall contribute an amount equal to 11.50~~
 24 ~~percent of such member's gross compensation, which shall~~
 25 ~~constitute the entire contribution with respect to such~~
 26 ~~member. Effective October 1, 1987, the employer paying the~~
 27 ~~salary of any member of the Elected State Officers' Class who~~
 28 ~~is a Governor, Lieutenant Governor, or Cabinet officer shall~~
 29 ~~contribute an amount equal to 11.74 percent of such member's~~
 30 ~~gross compensation, which shall constitute the entire~~
 31 ~~contribution with respect to such member. Effective October~~

1 ~~in 1988, the employer paying the salary of any member of the~~
 2 ~~Elected State Officers' Class who is a Governor, lieutenant~~
 3 ~~Governor, or Cabinet officer shall contribute an amount equal~~
 4 ~~to 11.98 percent of such member's gross compensation, which~~
 5 ~~shall constitute the entire contribution with respect to such~~
 6 ~~member. The employer shall, however, withhold one-half of the~~
 7 ~~entire contribution of the member required for social security~~
 8 ~~coverage.~~

9 (c) ~~From and after October 17, 1979, the employer~~
 10 ~~paying the salary of any member of the Elected State Officers'~~
 11 ~~Class who is a Supreme Court justice, district court of appeal~~
 12 ~~judge, circuit judge, county court judge, state attorney, or~~
 13 ~~public defender shall contribute an amount equal to 20.78~~
 14 ~~percent of that member's gross compensation, which shall~~
 15 ~~constitute the entire contribution with respect to that~~
 16 ~~member. The employer shall, however, withhold one-half of the~~
 17 ~~entire contribution of the member required for social security~~
 18 ~~coverage.~~

19 (d) ~~Effective October 17, 1981, the employer paying the~~
 20 ~~salary of any member of the Elected State Officers' Class who~~
 21 ~~is a Supreme Court justice, district court of appeal judge,~~
 22 ~~circuit judge or county court judge shall contribute an~~
 23 ~~amount equal to 22.55 percent of that member's gross~~
 24 ~~compensation, which shall constitute the entire contribution~~
 25 ~~with respect to that member. Effective October 17, 1984, the~~
 26 ~~employer paying the salary of any member of the Elected State~~
 27 ~~Officers' Class who is a Supreme Court justice, district court~~
 28 ~~of appeal judge, circuit judge, or county court judge shall~~
 29 ~~contribute an amount equal to 21.79 percent of that member's~~
 30 ~~gross compensation, which shall constitute the entire~~
 31 ~~contribution with respect to that member. Effective October~~

~~1 17-1986, the employer paying the salary of any member of the~~
~~2 Elected State Officers' Class who is a Supreme Court justice,~~
~~3 district court of appeal judge, circuit judge, or county court~~
~~4 judge shall contribute an amount equal to 20.94 percent of~~
~~5 that member's gross compensation, which shall constitute the~~
~~6 entire contribution with respect to that member. -- Effective~~
~~7 October 17, 1987, the employer paying the salary of any member~~
~~8 of the Elected State Officers' Class who is a Supreme Court~~
~~9 justice, district court of appeal judge, circuit judge, or~~
~~10 county court judge shall contribute an amount equal to 21.18~~
~~11 percent of that member's gross compensation, which shall~~
~~12 constitute the entire contribution with respect to that~~
~~13 member. -- Effective October 17, 1988, the employer paying the~~
~~14 salary of any member of the Elected State Officers' Class who~~
~~15 is a Supreme Court justice, district court of appeal judge,~~
~~16 circuit judge, or county court judge shall contribute an~~
~~17 amount equal to 21.42 percent of that member's gross~~
~~18 compensation, which shall constitute the entire contribution~~
~~19 with respect to that member. -- The employer shall, however,~~
~~20 withhold one-half of the entire contribution of the member~~
~~21 required for social security coverage;~~

~~22 (e) -- Effective October 17, 1981, the employer paying the~~
~~23 salary of any member of the Elected State Officers' Class who~~
~~24 is a state attorney or public defender shall contribute an~~
~~25 amount equal to 20.95 percent of that member's gross~~
~~26 compensation, which shall constitute the entire contribution~~
~~27 with respect to that member. -- Effective October 17, 1984, the~~
~~28 employer paying the salary of any member of the Elected State~~
~~29 Officers' Class who is a state attorney or public defender~~
~~30 shall contribute an amount equal to 10.98 percent of that~~
~~31 member's gross compensation, which shall constitute the entire~~

1 ~~contribution with respect to that member. Effective October~~
 2 ~~17, 1986, the employer paying the salary of any member of the~~
 3 ~~Elected State Officers' Class who is a state attorney or~~
 4 ~~public defender shall contribute an amount equal to 11.50~~
 5 ~~percent of that member's gross compensation, which shall~~
 6 ~~constitute the entire contribution with respect to that~~
 7 ~~member. Effective October 17, 1987, the employer paying the~~
 8 ~~salary of any member of the Elected State Officers' Class who~~
 9 ~~is a state attorney or public defender shall contribute an~~
 10 ~~amount equal to 11.74 percent of that member's gross~~
 11 ~~compensation, which shall constitute the entire contribution~~
 12 ~~with respect to that member. Effective October 17, 1988, the~~
 13 ~~employer paying the salary of any member of the Elected State~~
 14 ~~Officers' Class who is a state attorney or public defender~~
 15 ~~shall contribute an amount equal to 11.98 percent of that~~
 16 ~~member's gross compensation, which shall constitute the entire~~
 17 ~~contribution with respect to that member. The employer shall,~~
 18 ~~however, withhold one-half of the entire contribution of the~~
 19 ~~member required for social security coverage.~~
 20 ~~(f) From and after July 17, 1981, the employer paying~~
 21 ~~the salary of any member of the Elected State Officers' Class~~
 22 ~~who is a county elected officer shall contribute an amount~~
 23 ~~equal to 19.3 percent of that member's gross compensation,~~
 24 ~~which shall constitute the entire contribution with respect to~~
 25 ~~that member. The employer shall, however, withhold one-half~~
 26 ~~of the entire contribution of the member required for social~~
 27 ~~security coverage.~~
 28 ~~(g) Effective July 17, 1984, the employer paying the~~
 29 ~~salary of any member of the Elected State Officers' Class who~~
 30 ~~is a county elected officer shall contribute an amount equal~~
 31 ~~to 20.25 percent of that member's gross compensation, which~~

1 ~~shall constitute the entire contribution with respect to that~~
 2 ~~member. -- Effective October 17, 1984, the employer paying the~~
 3 ~~salary of any member of the Elected State Officers' Class who~~
 4 ~~is a county elected officer shall contribute an amount equal~~
 5 ~~to 16.97 percent of that member's gross compensation, which~~
 6 ~~shall constitute the entire contribution with respect to that~~
 7 ~~member. -- Effective October 17, 1986, the employer paying the~~
 8 ~~salary of any member of the Elected State Officers' Class who~~
 9 ~~is a county elected officer shall contribute an amount equal~~
 10 ~~to 17.19 percent of that member's gross compensation, which~~
 11 ~~shall constitute the entire contribution with respect to that~~
 12 ~~member. -- Effective October 17, 1987, the employer paying the~~
 13 ~~salary of any member of the Elected State Officers' Class who~~
 14 ~~is a county elected officer shall contribute an amount equal~~
 15 ~~to 17.43 percent of that member's gross compensation, which~~
 16 ~~shall constitute the entire contribution with respect to that~~
 17 ~~member. -- Effective October 17, 1988, the employer paying the~~
 18 ~~salary of any member of the Elected State Officers' Class who~~
 19 ~~is a county elected officer shall contribute an amount equal~~
 20 ~~to 17.67 percent of that member's gross compensation, which~~
 21 ~~shall constitute the entire contribution with respect to that~~
 22 ~~member. -- The employer shall, however, withhold one-half of the~~
 23 ~~entire contribution of the member required for social security~~
 24 ~~coverage.~~

25 (b)(h) The employer paying the salary of a member of
 26 the Elected State Officers' Class shall contribute an amount
 27 as specified in this section which shall constitute the entire
 28 employer retirement contribution with respect to such member.
 29 The employer shall also withhold one-half of the entire
 30 contribution of the member required for social security
 31 coverage. Elected State Officers' Class members'

1 contributions and matching contributions received from state
 2 employers shall be deposited by the administrator in the
 3 system trust fund and Social Security Trust Fund of the
 4 Florida Retirement System.

5 (c) Effective October 1, 1987, each employer shall
 6 contribute on behalf of each member in the Elected State
 7 Officers' Class an amount equal to .24 percent of the member's
 8 gross salary, which shall constitute the entire health
 9 insurance subsidy contribution with respect to such member.
 10 Effective January 1, 1989, each employer shall contribute an
 11 amount equal to .48 percent of each members' gross salary,
 12 which shall constitute the entire health insurance subsidy
 13 contribution with respect to such member. Such contributions
 14 shall be deposited by the administrator in the Retiree Health
 15 Insurance Subsidy Trust Fund.

16 Section 4. Subsection (3) of section 121.055, Florida
 17 Statutes, is amended to read:

18 121.055 Senior Management Service Class.--There is
 19 hereby established a separate class of membership within the
 20 Florida Retirement System to be known as the "Senior
 21 Management Service Class," which shall become effective
 22 February 1, 1987.

23 (3)(a) The following table states the required
 24 retirement contribution rates for members of the Senior
 25 Management Service Class and their employers in terms of
 26 percentages of the members' gross compensation. Changes in
 27 the contribution rates are effective with the first salary
 28 paid on or after the beginning date of a change.
 29 Contributions shall be made for each pay period and shall be
 30 in addition to the contributions required for social security
 31 and the Retiree Health Insurance Subsidy Trust Fund.

<u>Dates of Contribution</u>	<u>Members</u>	<u>Employers</u>
<u>February 1, 1987, through December 31, 1988</u>	0%	13.88%
<u>January 1, 1989, through December 31, 1989</u>	0%	14.95%
<u>January 1, 1990, through December 31, 1990</u>	0%	16.04%
<u>January 1, 1991, through December 31, 1991</u>	0%	17.12%
<u>January 1, 1992, through December 31, 1992</u>	0%	18.21%
<u>Effective January 1, 1993</u>	0%	19.28%

(b) The employer paying the salary of a member of the Senior Management Service Class shall contribute an amount as specified in this section which shall constitute the entire employer retirement contribution with respect to such member. The employer shall also withhold one-half of the entire contribution of the member required for social security coverage.

(c) Effective October 1, 1987, each employer shall contribute on behalf of each member in the Senior Management Service Class an amount equal to .24 percent of the member's gross salary, which shall constitute the entire health insurance subsidy contribution with respect to such member. Effective January 1, 1989, each employer shall contribute an amount equal to .48 percent of each members' gross salary, which shall constitute the entire health insurance subsidy contribution with respect to such member. Such contributions shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund. Commencing February 17, 1987, the employing agency of a member of the Senior Management Service Class shall contribute each pay period an amount equal to 13.88 percent of the member's gross salary, which shall constitute the entire retirement contribution with respect to such member, plus the employer's share of the contribution

1 ~~required for social security coverage. Effective October 1,~~
 2 ~~1987, the employing agency shall contribute each pay period an~~
 3 ~~amount equal to 14.12 percent of each member's gross salary,~~
 4 ~~which shall constitute the entire retirement contribution with~~
 5 ~~respect to such member. Effective October 1, 1987, the~~
 6 ~~employing agency shall contribute each pay period an amount~~
 7 ~~equal to 14.36 percent of each member's gross salary, which~~
 8 ~~shall constitute the entire retirement contribution with~~
 9 ~~respect to such member.~~

10 Section 5. Section 121.071, Florida Statutes, is
 11 amended to read:

12 121.071 Contributions.--Contributions to the system
 13 shall be made as follows:

14 (1) The following tables state the required retirement
 15 contribution rates for members of the Regular Class, Special
 16 Risk Class, and Special Risk Administrative Support Class and
 17 their employers in terms of percentages of the members' gross
 18 compensation. Changes in the contribution rates are effective
 19 with the first salary paid on or after the beginning date of a
 20 change. Contributions shall be made or deducted as may be
 21 appropriate for each pay period and shall be in addition to
 22 the contributions required for social security and the Retiree
 23 Health Insurance Subsidy Trust Fund.

24 (a) Retirement contributions for regular members are
 25 as follows:

26 Dates of Contribution

<u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
<u>December 1, 1970, through December 31, 1974,</u>	<u>4%</u>	<u>4%</u>
<u>for state agencies, state universities,</u>		
<u>community colleges, and district school boards.</u>		
<u>December 1, 1970, through September 30, 1975,</u>	<u>4%</u>	<u>4%</u>

1	<u>for all other local government agencies</u>		
2	<u>January 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>9%</u>
3	<u>for state agencies and state universities</u>		
4	<u>January 1, 1975, through July 31, 1978, for</u>	<u>0%</u>	<u>9%</u>
5	<u>community colleges and district school boards</u>		
6	<u>October 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>9%</u>
7	<u>for all other local government agencies</u>		
8	<u>August 1, 1978, through September 30, 1981,</u>	<u>0%</u>	<u>9.1%</u>
9	<u>for community colleges and district school</u>		
10	<u>boards</u>		
11	<u>October 1, 1978, through September 30, 1981,</u>	<u>0%</u>	<u>9.1%</u>
12	<u>for all other agencies</u>		
13	<u>October 1, 1981, through September 30, 1984</u>	<u>0%</u>	<u>10.93%</u>
14	<u>October 1, 1984, through September 30, 1986</u>	<u>0%</u>	<u>12.24%</u>
15	<u>October 1, 1986, through December 31, 1988</u>	<u>0%</u>	<u>13.14%</u>
16	<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>13.90%</u>
17	<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>14.66%</u>
18	<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>15.43%</u>
19	<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>16.19%</u>
20	<u>Effective January 1, 1993</u>	<u>0%</u>	<u>16.95%</u>

21 (b) Retirement contributions for special risk members
 22 are as follows:

23	<u>Dates of Contribution</u>		
24	<u>Rate Changes</u>		<u>Members Employers</u>
25	<u>December 1, 1970, through September 30, 1974</u>	<u>6%</u>	<u>6%</u>
26	<u>October 1, 1974, through December 31, 1974,</u>	<u>8%</u>	<u>8%</u>
27	<u>for state agencies, state universities,</u>		
28	<u>community colleges, and district school boards</u>		
29	<u>October 1, 1974, through September 30, 1975,</u>	<u>8%</u>	<u>8%</u>
30	<u>for all other local government agencies</u>		
31	<u>January 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>13%</u>

1	<u>for state agencies, state universities,</u>		
2	<u>community colleges, and district school boards</u>		
3	<u>October 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>13%</u>
4	<u>for other local government agencies</u>		
5	<u>October 1, 1978, through September 30, 1981</u>	<u>0%</u>	<u>13.95%</u>
6	<u>October 1, 1981, through September 30, 1984</u>	<u>0%</u>	<u>13.91%</u>
7	<u>October 1, 1984, through September 30, 1986</u>	<u>0%</u>	<u>14.67%</u>
8	<u>October 1, 1986, through December 31, 1988</u>	<u>0%</u>	<u>15.11%</u>
9	<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>15.90%</u>
10	<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>16.70%</u>
11	<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>17.51%</u>
12	<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>18.31%</u>
13	<u>Effective January 1, 1993</u>	<u>0%</u>	<u>19.10%</u>

14 (c) Retirement contributions for special risk
 15 administrative support members are as follows:

16 Dates of Contribution

17	<u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
18	<u>July 1, 1982, through September 30, 1984</u>	<u>0%</u>	<u>11.14%</u>
19	<u>October 1, 1984, through September 30, 1986</u>	<u>0%</u>	<u>13.09%</u>
20	<u>October 1, 1986, through December 31, 1988</u>	<u>0%</u>	<u>15.44%</u>
21	<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>14.76%</u>
22	<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>14.09%</u>
23	<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>13.41%</u>
24	<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>12.74%</u>
25	<u>Effective January 1, 1993</u>	<u>0%</u>	<u>12.06%</u>

26 ~~Until January 1, 1975, regular members shall contribute~~
 27 ~~each pay period at the rate of 4 percent of gross compensation~~
 28 ~~and special risk members shall contribute each pay period at~~
 29 ~~the rate of 8 percent of gross compensation. Effective~~
 30 ~~January 1, 1975, regular members and special risk members~~
 31 ~~shall make no contribution to the system.~~

1 ~~(2)(a)~~--Until January 17, 1975, each employer shall
 2 ~~contribute an amount equal to the total of its member~~
 3 ~~contributions, made under subsection (1), each pay period.~~
 4 ~~Effective January 17, 1975, and until October 17, 1978, each~~
 5 ~~employer shall contribute 9 percent of gross compensation each~~
 6 ~~pay period for each of its regular members and 13 percent of~~
 7 ~~gross compensation each pay period for each of its special~~
 8 ~~risk members. Effective October 17, 1978, each employer shall~~
 9 ~~contribute 9.1 percent of gross compensation each pay period~~
 10 ~~for each of its regular members and 13.95 percent of gross~~
 11 ~~compensation each pay period for each of its special risk~~
 12 ~~members. Effective October 17, 1981, each employer shall~~
 13 ~~contribute 10.93 percent of gross compensation each pay period~~
 14 ~~for each of its regular members and 13.91 percent of gross~~
 15 ~~compensation each pay period for each of its special risk~~
 16 ~~members. Effective October 17, 1984, each employer shall~~
 17 ~~contribute 12.24 percent of gross compensation each pay period~~
 18 ~~for each of its regular members and 14.67 percent of gross~~
 19 ~~compensation each pay period for each of its special risk~~
 20 ~~members. Effective October 17, 1986, each employer shall~~
 21 ~~contribute 13.14 percent of gross compensation each pay period~~
 22 ~~for each of its regular members and 15.11 percent of gross~~
 23 ~~compensation each pay period for each of its special risk~~
 24 ~~members. Effective October 17, 1987, each employer shall~~
 25 ~~contribute 13.38 percent of gross compensation each pay period~~
 26 ~~for each of its regular members and 15.35 percent of gross~~
 27 ~~compensation each pay period for each of its special risk~~
 28 ~~members. Effective October 17, 1988, each employer shall~~
 29 ~~contribute 13.62 percent of gross compensation each pay period~~
 30 ~~for each of its regular members and 15.59 percent of gross~~
 31

1 compensation each pay period for each of its special risk
 2 members.

3 (b) ~~Effective July 1, 1982, each employer shall~~
 4 ~~contribute 11.14 percent of gross compensation each pay period~~
 5 ~~for each of its members serving in an administrative support~~
 6 ~~position in a law enforcement, firefighting, or correctional~~
 7 ~~agency as provided in s. 21.0515(7). Effective October 1,~~
 8 ~~1984, each employer shall contribute 13.89 percent of gross~~
 9 ~~compensation each pay period for each of its members serving~~
 10 ~~in an administrative support position in a law enforcement,~~
 11 ~~firefighting, or correctional agency as provided in s.~~
 12 ~~21.0515(7). Effective October 1, 1986, each employer shall~~
 13 ~~contribute 15.44 percent of gross compensation each pay period~~
 14 ~~for each of its members serving in an administrative support~~
 15 ~~position in a law enforcement, firefighting, or correctional~~
 16 ~~agency as provided in s. 21.0515(7). Effective October 1,~~
 17 ~~1987, each employer shall contribute 15.68 percent of gross~~
 18 ~~compensation each pay period for each of its members serving~~
 19 ~~in an administrative support position in a law enforcement,~~
 20 ~~firefighting, or correctional agency as provided in s.~~
 21 ~~21.0515(7). Effective October 1, 1988, each employer shall~~
 22 ~~contribute 15.92 percent of gross compensation each pay period~~
 23 ~~for each of its members serving in an administrative support~~
 24 ~~position in a law enforcement, firefighting, or correctional~~
 25 ~~agency as provided in s. 21.0515(7).~~

26 (2)(3)(a) Effective January 1, 1975, or October 1,
 27 1975, as applicable, each employer shall accomplish the
 28 increased contribution required by subsection (1)(2) by a
 29 procedure in which no employee's gross salary shall be
 30 reduced.

31

1 (b) Upon termination of employment for any reason
2 other than retirement, a member shall be entitled to a full
3 refund of the contributions he has made prior or subsequent to
4 his participation in the noncontributory plan, subject to the
5 restrictions otherwise provided in this chapter.

6 (3)†4) The employer paying the salary of a member
7 shall contribute an amount as specified in this section which
8 shall constitute the entire employer retirement contribution
9 with respect to such member. The employer shall also withhold
10 one-half of the entire contribution of the member required for
11 social security coverage. Contributions for social security
12 by each member and each employer, in the amount required for
13 social security coverage as now or hereafter provided by the
14 federal Social Security Act, shall be in addition to
15 contributions specified in subsection (1) ~~subsections (2) and~~
16 †3).

17 (4) Effective October 1, 1987, each employer shall
18 contribute on behalf of each member an amount equal to .24
19 percent of the member's gross salary, which shall constitute
20 the entire health insurance subsidy contribution with respect
21 to such member. Effective January 1, 1989, each employer
22 shall contribute an amount equal to .48 percent of each
23 members' gross salary, which shall constitute the entire
24 health insurance subsidy contribution with respect to such
25 member. Such contributions shall be deposited by the
26 administrator in the Retiree Health Insurance Subsidy Trust
27 Fund.

28 (5) Contributions made in accordance with subsections
29 (1), (2), (3), and (4) shall be paid by the employer into the
30 system trust funds in accordance with rules promulgated by the
31 administrator pursuant to chapter 120. Such contributions are

1 due and payable no later than the 25th day of the month
 2 immediately following the month during which the payroll
 3 period ended. The division may by rule establish a different
 4 due date, which shall supersede the date specified herein;
 5 however, such due date may not be established earlier than the
 6 20th day of the month immediately following the month during
 7 which the payroll period ended. Effective January 1, 1984,
 8 contributions made in accordance with subsection (3)~~(4)~~ shall
 9 be paid by the employer into the system trust fund in
 10 accordance with rules promulgated by the administrator
 11 pursuant to chapter 120. For any payroll period ending any
 12 day of the month before the 16th day of the month, such
 13 contributions are due and payable no later than the 20th day
 14 of the month; and, for any payroll periods ending any day of
 15 the month after the 15th day of the month, such contributions
 16 are due and payable no later than the 5th day of the next
 17 month. Contributions received in the offices of the Division
 18 of Retirement of the Department of Administration after the
 19 prescribed date shall be considered delinquent unless, in the
 20 opinion of the division, exceptional circumstances beyond an
 21 employer's control prevented remittance by the prescribed due
 22 date notwithstanding such employer's good faith efforts to
 23 effect delivery; and, with respect to retirement contributions
 24 due under subsections (1) and (4) ~~(2) and (3)~~, each employer
 25 shall be assessed a delinquent fee of 1 percent of the
 26 contributions due for each calendar month or part thereof that
 27 the contributions are delinquent. Such a waiver of the
 28 delinquency fee by the division may be granted an employer
 29 only one time each fiscal year. Delinquent social security
 30 contributions shall be assessed a delinquent fee as authorized
 31 by s. 650.05(4). The delinquent fee assessable for an

1 employer's first delinquency after July 1, 1984, shall be as
 2 specified in s. 650.05(4), and, beginning with the second
 3 delinquency in any fiscal year by the employer subsequent to
 4 July 1, 1984, all subsequent delinquency fees shall be
 5 assessed against the employer at twice the applicable
 6 percentage rate specified in s. 650.05(4).

7 Section 6. Paragraph (b) of subsection (12) of section
 8 121.40, Florida Statutes, is amended to read:

9 121.40 Cooperative extension personnel at the
 10 Institute of Food and Agricultural Sciences; supplemental
 11 retirement benefits.--

12 (12) CONTRIBUTIONS.--

13 (b) The monthly contributions required to be paid
 14 pursuant to paragraph (a) ~~on shall be equal to 6.68 percent of~~
 15 the gross monthly salaries, from all sources with respect to
 16 such employment, paid to those employees of the institute who
 17 hold both state and federal appointments and who participate
 18 in the federal Civil Service Retirement System shall be as
 19 follows:

<u>Dates of Contribution</u>	<u>Percentage</u>
<u>Rate Changes</u>	<u>Due</u>
<u>July 1, 1985, through December 31, 1988</u>	<u>6.68%</u>
<u>Effective January 1, 1989</u>	<u>6.35%</u>

24 Section 7. Notwithstanding the provisions of sections
 25 3, 4, and 5 of this act, it is the intent of the Legislature
 26 that, should any other law be enacted which provides a
 27 contribution rate change for a membership class within the
 28 Florida Retirement System to take effect on or after July 1,
 29 1988, the respective January 1, 1989, contribution rate shall
 30 be equal to the contribution rate specified in this act, plus
 31 the contribution rate change specified in each such other law;

1 and, should any law be enacted which provides a contribution
 2 rate change for a membership class within the Florida
 3 Retirement System to take effect subsequent to January 1,
 4 1989, the respective contribution rate shall equal the
 5 respective contribution rate in effect on the day before the
 6 new contribution rate is to take effect, plus the contribution
 7 rate change specified in such law. If a contribution rate,
 8 rather than a contribution rate change is specified in any
 9 such other law, the contribution rate change for that law
 10 shall equal the difference between the December 31, 1988,
 11 contribution rate for the affected membership class and the
 12 contribution rate specified in such law. The language in this
 13 section of the act shall be construed as directory intent
 14 language only, which shall be placed in the statutes as a
 15 footnote.

16 Section 8. This act shall take effect October 1, 1988.

17
 18
 19 *****

20 HOUSE SUMMARY

21 Advances to January 1, 1989, the effective date of
 22 contribution rate increases with respect to the retiree
 23 health insurance subsidy. Deletes language requiring
 24 that benefit increases be amortized over a 15-year period
 25 under the Florida Retirement System. Revises
 26 contribution rates applicable to all classes of the
 27 Florida Retirement System and provides contribution rates
 28 for the retiree health insurance subsidy.
 29
 30
 31

By the Committee on Retirement, Personnel &
Collective Bargaining and Representative Martinez

1 A bill to be entitled
2 An act relating to retirement; amending s.
3 112.363, F.S.; revising the effective date of
4 contribution rate increases with respect to the
5 retiree health insurance subsidy; amending s.
6 121.031, F.S.; repealing language requiring
7 benefit increases to be amortized over a 15-
8 year period; amending s. 121.052, F.S.;
9 revising contribution rates applicable to
10 members of the Elected State Officers' Class;
11 providing a contribution rate for the Retiree
12 Health Insurance Subsidy; amending s. 121.055,
13 F.S.; revising the contribution rate applicable
14 to members of the Senior Management Service
15 Class; providing a contribution rate for the
16 retiree health insurance subsidy; amending s.
17 121.071, F.S.; revising contribution rates
18 applicable to members of the Regular Class,
19 Special Risk Class and Special Risk
20 Administrative Support Class; providing a
21 contribution rate for the retiree health
22 insurance subsidy; amending s. 121.40, F.S.;
23 revising the contribution rate applicable to
24 Institute of Food and Agricultural Science
25 Supplemental Retirement Act; specifying intent
26 with respect to the contribution rates
27 specified in this act; providing an effective
28 date.
29
30 Be It Enacted by the Legislature of the State of Florida;
31

1 Section 1. Paragraph (b) of subsection (8) of section
2 112.363, Florida Statutes, is amended to read:

3 112.363 Retiree health insurance subsidy.--

4 (8) CONTRIBUTIONS.--For purposes of funding the
5 insurance subsidy provided by this section:

6 (b) Beginning January 1, 1989 ~~October 1, 1988~~, the
7 employer of each member of a state-administered retirement
8 plan shall contribute 0.48 percent of gross compensation each
9 pay period.

10

11 Such contributions shall be submitted to the Division of
12 Retirement and deposited in the Retiree Health Insurance
13 Subsidy Trust Fund.

14 Section 2. Subsection (4) of section 121.031, Florida
15 Statutes, is amended to read:

16 121.031 Administration of system; appropriation;
17 oaths; actuarial studies.--

18 (4) Notwithstanding the provisions of s. 112.64(4) to
19 the contrary, the net increase, if any, in unfunded liability
20 under the system arising from significant system amendments
21 adopted or changes in assumptions shall be amortized within 30
22 plan years, ~~and the net increase, if any, in unfunded~~
23 ~~liability arising from experience losses or gains, or~~
24 ~~supplemental retiree benefit increases, shall be amortized~~
25 ~~within 15 plan years.~~

26 Section 3. Subsection (4) of section 121.052, Florida
27 Statutes, is amended to read:

28 121.052 Membership class of certain elected state
29 officers.--

30 (4)(a) The following table states the required
31 retirement contribution rates for members of the Elected State

1 Officers' Class and their employers in terms of percentages of
2 the members' gross compensation. Changes in the contribution
3 rates are effective with the first salary paid on or after the
4 beginning date of a change. Contributions shall be made or
5 deducted as may be appropriate for each pay period and shall
6 be in addition to the contributions required for social
7 security and the Retiree Health Insurance Subsidy.

8 Dates of Contribution

9	<u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
10	<u>July 1, 1972, through September 30, 1977</u>		
11	<u>Legislators</u>	<u>8%</u>	<u>8%</u>
12	<u>All other Members</u>	<u>8%</u>	<u>8%</u>
13	<u>October 1, 1977, through September 30, 1978</u>		
14	<u>Legislators</u>	<u>8%</u>	<u>8%</u>
	<u>All other Members</u>	<u>4%</u>	<u>12%</u>
16	<u>October 1, 1978, through September 30, 1979</u>		
17	<u>Legislators</u>	<u>8%</u>	<u>10.57%</u>
18	<u>All other Members</u>	<u>4%</u>	<u>16.78%</u>
19	<u>October 1, 1979, through September 30, 1981</u>		
20	<u>Legislators</u>	<u>8%</u>	<u>10.57%</u>
21	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>4%</u>	<u>16.78%</u>
22	<u>All Other Members</u>	<u>0%</u>	<u>20.78%</u>
23	<u>July 1, 1981, through June 30, 1984</u>		
24	<u>County Elected Officers</u>	<u>0%</u>	<u>19.30%</u>
25	<u>July 1, 1984, through September 30, 1984</u>		
26	<u>County Elected Officers</u>	<u>0%</u>	<u>20.25%</u>
27	<u>October 1, 1981, through September 30, 1984</u>		
28	<u>Legislators</u>	<u>0%</u>	<u>19.30%</u>
29	<u>Governor, Lt. Governor, Cabinet Officer</u>	<u>0%</u>	<u>21.03%</u>
30	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>20.95%</u>
31	<u>Justice, Judge</u>	<u>0%</u>	<u>22.55%</u>

1	<u>October 1, 1984, through September 30, 1986</u>		
2	<u>Legislators</u>	0%	<u>10.98%</u>
3	<u>Governor, Lt. Governor, Cabinet Officer</u>	0%	<u>10.98%</u>
4	<u>State Attorney, Public Defender</u>	0%	<u>10.98%</u>
5	<u>Justice, Judge</u>	0%	<u>21.79%</u>
6	<u>County Elected Officers</u>	0%	<u>16.97%</u>
7	<u>October 1, 1986, through December 31, 1988</u>		
8	<u>Legislators</u>	0%	<u>11.50%</u>
9	<u>Governor, Lt. Governor, Cabinet Officer</u>	0%	<u>11.50%</u>
10	<u>State Attorney, Public Defender</u>	0%	<u>11.50%</u>
11	<u>Justice, Judge</u>	0%	<u>20.94%</u>
12	<u>County Elected Officers</u>	0%	<u>17.19%</u>
13	<u>January 1, 1989, through December 31, 1989</u>		
14	<u>Legislators</u>	0%	<u>13.70%</u>
15	<u>Governor, Lt. Governor, Cabinet Officers</u>	0%	<u>13.70%</u>
16	<u>State Attorney, Public Defender</u>	0%	<u>13.70%</u>
17	<u>Justice, Judge</u>	0%	<u>22.58%</u>
18	<u>County Elected Officers</u>	0%	<u>18.44%</u>
19	<u>January 1, 1990, through December 31, 1990</u>		
20	<u>Legislators</u>	0%	<u>15.91%</u>
21	<u>Governor, Lt. Governor, Cabinet Officers</u>	0%	<u>15.91%</u>
22	<u>State Attorney, Public Defender</u>	0%	<u>15.91%</u>
23	<u>Justice, Judge</u>	0%	<u>24.22%</u>
24	<u>County Elected Officers</u>	0%	<u>19.71%</u>
25	<u>January 1, 1991, through December 31, 1991</u>		
26	<u>Legislators</u>	0%	<u>18.12%</u>
27	<u>Governor, Lt. Governor, Cabinet Officers</u>	0%	<u>18.12%</u>
28	<u>State Attorney, Public Defender</u>	0%	<u>18.12%</u>
29	<u>Justice, Judge</u>	0%	<u>25.87%</u>
30	<u>County Elected Officers</u>	0%	<u>20.97%</u>
31	<u>January 1, 1992, through December 31, 1992</u>		

1	<u>Legislators</u>	<u>0%</u>	<u>20.33%</u>
2	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>20.33%</u>
3	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>20.33%</u>
4	<u>Justice, Judge</u>	<u>0%</u>	<u>27.51%</u>
5	<u>County Elected Officers</u>	<u>0%</u>	<u>22.24%</u>
6	<u>Effective January 1, 1993</u>		
7	<u>Legislators</u>	<u>0%</u>	<u>22.53%</u>
8	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>22.53%</u>
9	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>22.53%</u>
10	<u>Justice, Judge</u>	<u>0%</u>	<u>29.15%</u>
11	<u>County Elected Officers</u>	<u>0%</u>	<u>23.49%</u>

12 (a) ~~From and after October 1, 1978, and except as~~
 13 ~~provided in this subsection, the employer paying the salary of~~
 14 ~~a member of the Elected State Officers' Class shall withhold 8~~
 15 ~~percent of his gross salary, which shall constitute the~~
 16 ~~contribution of that member with respect to retirement and~~
 17 ~~other benefits payable to members of this class, and one-half~~
 18 ~~of the entire contribution of the member required for social~~
 19 ~~security coverage. The employer withholding such~~
 20 ~~contributions shall set aside the funds necessary to pay the~~
 21 ~~matching contributions required pursuant to s. 121.061 and~~
 22 ~~shall contribute an amount equal to 10.57 percent of such~~
 23 ~~member's gross compensation and one-half of the entire~~
 24 ~~contribution with respect to the member's social security~~
 25 ~~coverage.~~

26 2. ~~From and after October 1, 1981, the employer paying~~
 27 ~~the salary of any member of the Elected State Officers' Class~~
 28 ~~who is a legislator shall contribute an amount equal to 19.3~~
 29 ~~percent of such member's gross compensation, which shall~~
 30 ~~constitute the entire contribution with respect to such~~
 31 ~~member. From and after October 1, 1984, the employer paying~~

1 ~~the salary of any member of the Elected State Officers¹ Class~~
2 ~~who is a legislator shall contribute an amount equal to 10.98~~
3 ~~percent of such member's gross compensation, which shall~~
4 ~~constitute the entire contribution with respect to such~~
5 ~~member. -- From and after October 1, 1986, the employer paying~~
6 ~~the salary of any member of the Elected State Officers¹ Class~~
7 ~~who is a legislator shall contribute an amount equal to 11.50~~
8 ~~percent of such member's gross compensation, which shall~~
9 ~~constitute the entire contribution with respect to such~~
10 ~~member. -- Effective October 1, 1987, the employer paying the~~
11 ~~salary of any member of the Elected State Officers¹ Class who~~
12 ~~is a legislator shall contribute an amount equal to 11.74~~
13 ~~percent of such member's gross compensation, which shall~~
14 ~~constitute the entire contribution with respect to such~~
15 ~~member. -- Effective October 1, 1988, the employer paying the~~
16 ~~salary of any member of the Elected State Officers¹ Class who~~
17 ~~is a legislator shall contribute an amount equal to 11.98~~
18 ~~percent of such member's gross compensation, which shall~~
19 ~~constitute the entire contribution with respect to such~~
20 ~~member. -- The employer shall, however, withhold one-half of the~~
21 ~~entire contribution of the member required for social security~~
22 ~~coverage.~~
23 ~~(b)1. -- From and after October 1, 1978, the employer~~
24 ~~paying the salary of any member of the Elected State Officers¹~~
25 ~~Class who is a Governor, Lieutenant Governor, Cabinet officer,~~
26 ~~Supreme Court justice, district court of appeal judge, circuit~~
27 ~~judge, county court judge, state attorney, public service~~
28 ~~commissioner or public defender shall contribute an amount~~
29 ~~equal to 16.78 percent of such member's gross compensation and~~
30 ~~shall withhold 4 percent of such member's gross compensation,~~
31 ~~the sum of which shall constitute the entire contribution with~~

1 respect to such member:--The employer shall, however, withhold
2 one-half of the entire contribution of the member required for
3 social security coverage:--Effective July 1, 1979, any member
4 of the Elected State Officers' Class who is a public service
5 commissioner shall be removed from this class, shall become a
6 regular member on that date, and shall be subject to the
7 contribution provisions of s. ~~121.071~~ which pertain to regular
8 members:

9 2:--From and after October 1, 1981, the employer paying
10 the salary of any member of the Elected State Officers' Class
11 who is a Governor, Lieutenant Governor, or Cabinet officer
12 shall contribute an amount equal to 21.03 percent of such
13 member's gross compensation, which shall constitute the entire
14 contribution with respect to such member:--From and after
15 October 1, 1984, the employer paying the salary of any member
16 of the Elected State Officers' Class who is a Governor,
17 Lieutenant Governor, or Cabinet officer shall contribute an
18 amount equal to 18.98 percent of such member's gross
19 compensation, which shall constitute the entire contribution
20 with respect to such member:--From and after October 1, 1986,
21 the employer paying the salary of any member of the Elected
22 State Officers' Class who is a Governor, Lieutenant Governor,
23 or Cabinet officer shall contribute an amount equal to 11.58
24 percent of such member's gross compensation, which shall
25 constitute the entire contribution with respect to such
26 member:--Effective October 1, 1987, the employer paying the
27 salary of any member of the Elected State Officers' Class who
28 is a Governor, Lieutenant Governor, or Cabinet officer shall
29 contribute an amount equal to 11.74 percent of such member's
30 gross compensation, which shall constitute the entire
31 contribution with respect to such member:--Effective October

1 ~~ly-1988, the employer paying the salary of any member of the~~
2 ~~Elected State Officers' Class who is a Governor, Lieutenant~~
3 ~~Governor, or Cabinet officer shall contribute an amount equal~~
4 ~~to 11.98 percent of such member's gross compensation, which~~
5 ~~shall constitute the entire contribution with respect to such~~
6 ~~member. The employer shall, however, withhold one-half of the~~
7 ~~entire contribution of the member required for social security~~
8 ~~coverage.~~

9 (c) ~~From and after October 1, 1979, the employer~~
10 ~~paying the salary of any member of the Elected State Officers'~~
11 ~~Class who is a Supreme Court justice, district court of appeal~~
12 ~~judge, circuit judge, county court judge, state attorney, or~~
13 ~~public defender shall contribute an amount equal to 20.78~~
14 ~~percent of that member's gross compensation, which shall~~
15 ~~constitute the entire contribution with respect to that~~
16 ~~member. The employer shall, however, withhold one-half of the~~
17 ~~entire contribution of the member required for social security~~
18 ~~coverage.~~

19 (d) ~~Effective October 1, 1981, the employer paying the~~
20 ~~salary of any member of the Elected State Officers' Class who~~
21 ~~is a Supreme Court justice, district court of appeal judge,~~
22 ~~circuit judge, or county court judge shall contribute an~~
23 ~~amount equal to 22.55 percent of that member's gross~~
24 ~~compensation, which shall constitute the entire contribution~~
25 ~~with respect to that member. Effective October 1, 1984, the~~
26 ~~employer paying the salary of any member of the Elected State~~
27 ~~Officers' Class who is a Supreme Court justice, district court~~
28 ~~of appeal judge, circuit judge, or county court judge shall~~
29 ~~contribute an amount equal to 21.79 percent of that member's~~
30 ~~gross compensation, which shall constitute the entire~~
31 ~~contribution with respect to that member. Effective October~~

1 ~~in 1986, the employer paying the salary of any member of the~~
2 ~~Elected State Officers' Class who is a Supreme Court justice,~~
3 ~~district court of appeal judge, circuit judge, or county court~~
4 ~~judge shall contribute an amount equal to 20.94 percent of~~
5 ~~that member's gross compensation, which shall constitute the~~
6 ~~entire contribution with respect to that member. -- Effective~~
7 ~~October 1, 1987, the employer paying the salary of any member~~
8 ~~of the Elected State Officers' Class who is a Supreme Court~~
9 ~~justice, district court of appeal judge, circuit judge, or~~
10 ~~county court judge shall contribute an amount equal to 21.18~~
11 ~~percent of that member's gross compensation, which shall~~
12 ~~constitute the entire contribution with respect to that~~
13 ~~member. -- Effective October 1, 1988, the employer paying the~~
14 ~~salary of any member of the Elected State Officers' Class who~~
15 ~~is a Supreme Court justice, district court of appeal judge,~~
16 ~~circuit judge, or county court judge shall contribute an~~
17 ~~amount equal to 21.42 percent of that member's gross~~
18 ~~compensation, which shall constitute the entire contribution~~
19 ~~with respect to that member. -- The employer shall, however,~~
20 ~~withhold one-half of the entire contribution of the member~~
21 ~~required for social security coverage.~~
22 ~~(e) -- Effective October 1, 1981, the employer paying the~~
23 ~~salary of any member of the Elected State Officers' Class who~~
24 ~~is a state attorney or public defender shall contribute an~~
25 ~~amount equal to 20.95 percent of that member's gross~~
26 ~~compensation, which shall constitute the entire contribution~~
27 ~~with respect to that member. -- Effective October 1, 1984, the~~
28 ~~employer paying the salary of any member of the Elected State~~
29 ~~Officers' Class who is a state attorney or public defender~~
30 ~~shall contribute an amount equal to 10.98 percent of that~~
31 ~~member's gross compensation, which shall constitute the entire~~

1 ~~contribution with respect to that member. -- Effective October~~
2 ~~1, 1986, the employer paying the salary of any member of the~~
3 ~~Elected State Officers' Class who is a state attorney or~~
4 ~~public defender shall contribute an amount equal to 11.50~~
5 ~~percent of that member's gross compensation, which shall~~
6 ~~constitute the entire contribution with respect to that~~
7 ~~member. -- Effective October 1, 1987, the employer paying the~~
8 ~~salary of any member of the Elected State Officers' Class who~~
9 ~~is a state attorney or public defender shall contribute an~~
10 ~~amount equal to 11.74 percent of that member's gross~~
11 ~~compensation, which shall constitute the entire contribution~~
12 ~~with respect to that member. -- Effective October 1, 1988, the~~
13 ~~employer paying the salary of any member of the Elected State~~
14 ~~Officers' Class who is a state attorney or public defender~~
15 ~~shall contribute an amount equal to 11.98 percent of that~~
16 ~~member's gross compensation, which shall constitute the entire~~
17 ~~contribution with respect to that member. -- The employer shall~~
18 ~~however, withhold one-half of the entire contribution of the~~
19 ~~member required for social security coverage.~~
20 ~~(f) -- From and after July 1, 1981, the employer paying~~
21 ~~the salary of any member of the Elected State Officers' Class~~
22 ~~who is a county elected officer shall contribute an amount~~
23 ~~equal to 19.3 percent of that member's gross compensation,~~
24 ~~which shall constitute the entire contribution with respect to~~
25 ~~that member. -- The employer shall, however, withhold one-half~~
26 ~~of the entire contribution of the member required for social~~
27 ~~security coverage.~~
28 ~~(g) -- Effective July 1, 1984, the employer paying the~~
29 ~~salary of any member of the Elected State Officers' Class who~~
30 ~~is a county elected officer shall contribute an amount equal~~
31 ~~to 28.25 percent of that member's gross compensation, which~~

1 ~~shall constitute the entire contribution with respect to that~~
2 ~~member. -- Effective October 1, 1984, the employer paying the~~
3 ~~salary of any member of the Elected State Officers' Class who~~
4 ~~is a county elected officer shall contribute an amount equal~~
5 ~~to 16.97 percent of that member's gross compensation, which~~
6 ~~shall constitute the entire contribution with respect to that~~
7 ~~member. -- Effective October 1, 1986, the employer paying the~~
8 ~~salary of any member of the Elected State Officers' Class who~~
9 ~~is a county elected officer shall contribute an amount equal~~
10 ~~to 17.19 percent of that member's gross compensation, which~~
11 ~~shall constitute the entire contribution with respect to that~~
12 ~~member. -- Effective October 1, 1987, the employer paying the~~
13 ~~salary of any member of the Elected State Officers' Class who~~
14 ~~is a county elected officer shall contribute an amount equal~~
15 ~~to 17.43 percent of that member's gross compensation, which~~
16 ~~shall constitute the entire contribution with respect to that~~
17 ~~member. -- Effective October 1, 1988, the employer paying the~~
18 ~~salary of any member of the Elected State Officers' Class who~~
19 ~~is a county elected officer shall contribute an amount equal~~
20 ~~to 17.67 percent of that member's gross compensation, which~~
21 ~~shall constitute the entire contribution with respect to that~~
22 ~~member. -- The employer shall, however, withhold one-half of the~~
23 ~~entire contribution of the member required for social security~~
24 ~~coverage.~~

25 (b)(h) The employer paying the salary of a member of
26 the Elected State Officers' Class shall contribute an amount
27 as specified in this section which shall constitute the entire
28 employer retirement contribution with respect to such member.
29 The employer shall also withhold one-half of the entire
30 contribution of the member required for social security
31 coverage. Elected State Officers' Class members'

1 contributions and matching contributions received from state
2 employers shall be deposited by the administrator in the
3 system trust fund and Social Security Trust Fund of the
4 Florida Retirement System.

5 (c) Effective October 1, 1987, each employer shall
6 contribute on behalf of each member in the Elected State
7 Officers' Class an amount equal to .24 percent of the member's
8 gross salary, which shall constitute the entire health
9 insurance subsidy contribution with respect to such member.
10 Effective January 1, 1989, each employer shall contribute an
11 amount equal to .48 percent of each members' gross salary,
12 which shall constitute the entire health insurance subsidy
13 contribution with respect to such member. Such contributions
14 shall be deposited by the administrator in the Retiree Health
15 Insurance Subsidy Trust Fund.

16 Section 4. Subsection (3) of section 121.055, Florida
17 Statutes, is amended to read:

18 121.055 Senior Management Service Class.--There is
19 hereby established a separate class of membership within the
20 Florida Retirement System to be known as the "Senior
21 Management Service Class," which shall become effective
22 February 1, 1987.

23 (3)(a) The following table states the required
24 retirement contribution rates for members of the Senior
25 Management Service Class and their employers in terms of
26 percentages of the members' gross compensation. Changes in
27 the contribution rates are effective with the first salary
28 paid on or after the beginning date of a change.
29 Contributions shall be made for each pay period and shall be
30 in addition to the contributions required for social security
31 and the Retiree Health Insurance Subsidy Trust Fund.

<u>Dates of Contribution</u>	<u>Members</u>	<u>Employers</u>
<u>February 1, 1987, through December 31, 1988</u>	<u>0%</u>	<u>13.88%</u>
<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>14.95%</u>
<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>16.04%</u>
<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>17.12%</u>
<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>18.21%</u>
<u>Effective January 1, 1993</u>	<u>0%</u>	<u>19.28%</u>

(b) The employer paying the salary of a member of the Senior Management Service Class shall contribute an amount as specified in this section which shall constitute the entire employer retirement contribution with respect to such member. The employer shall also withhold one-half of the entire contribution of the member required for social security coverage.

(c) Effective October 1, 1987, each employer shall contribute on behalf of each member in the Senior Management Service Class an amount equal to .24 percent of the member's gross salary, which shall constitute the entire health insurance subsidy contribution with respect to such member. Effective January 1, 1989, each employer shall contribute an amount equal to .48 percent of each members' gross salary, which shall constitute the entire health insurance subsidy contribution with respect to such member. Such contributions shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund. Commencing February 1, 1987, the employing agency of a member of the Senior Management Service Class shall contribute each pay period an amount equal to 13.88 percent of the member's gross salary, which shall constitute the entire retirement contribution with respect to such member, plus the employer's share of the contribution

1 ~~required for social security coverage. Effective October 1,~~
2 ~~1987, the employing agency shall contribute each pay period an~~
3 ~~amount equal to 14.12 percent of each member's gross salary,~~
4 ~~which shall constitute the entire retirement contribution with~~
5 ~~respect to such member. Effective October 1, 1988, the~~
6 ~~employing agency shall contribute each pay period an amount~~
7 ~~equal to 14.36 percent of each member's gross salary, which~~
8 ~~shall constitute the entire retirement contribution with~~
9 ~~respect to such member.~~

10 Section 5. Section 121.071, Florida Statutes, is
11 amended to read:

12 121.071 Contributions.--Contributions to the system
13 shall be made as follows:

14 (1) The following tables state the required retirement
15 contribution rates for members of the Regular Class, Special
16 Risk Class and Special Risk Administrative Support Class and
17 their employers in terms of percentages of the members' gross
18 compensation. Changes in the contribution rates are effective
19 with the first salary paid on or after the beginning date of a
20 change. Contributions shall be made or deducted as may be
21 appropriate for each pay period and shall be in addition to
22 the contributions required for social security and the Retiree
23 Health Insurance Subsidy Trust Fund.

24 (a) Retirement contributions for regular members are
25 as follows:

26 Dates of Contribution

<u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
<u>December 1, 1970, through December 31, 1974,</u>	<u>4%</u>	<u>4%</u>
<u>for state agencies, state universities,</u>		
<u>community colleges and district school boards</u>		
<u>December 1, 1970, through September 30, 1975,</u>	<u>4%</u>	<u>4%</u>

1	<u>for all other local government agencies</u>		
2	<u>January 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>9%</u>
3	<u>for state agencies, and state universities</u>		
4	<u>January 1, 1975, through July 31, 1978, for</u>	<u>0%</u>	<u>9%</u>
5	<u>community colleges and district school boards</u>		
6	<u>October 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>9%</u>
7	<u>for all other local government agencies</u>		
8	<u>August 1, 1978, through September 30, 1981,</u>	<u>0%</u>	<u>9.1%</u>
9	<u>for community colleges and district school</u>		
10	<u>boards</u>		
11	<u>October 1, 1978, through September 30, 1981,</u>	<u>0%</u>	<u>9.1%</u>
12	<u>for all other agencies</u>		
13	<u>October 1, 1981, through September 30, 1984</u>	<u>0%</u>	<u>10.93%</u>
14	<u>October 1, 1984, through September 30, 1986</u>	<u>0%</u>	<u>12.24%</u>
15	<u>October 1, 1986, through December 31, 1988</u>	<u>0%</u>	<u>13.14%</u>
16	<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>13.90%</u>
17	<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>14.66%</u>
18	<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>15.43%</u>
19	<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>16.19%</u>
20	<u>Effective January 1, 1993</u>	<u>0%</u>	<u>16.95%</u>
21	<u>(b) Retirement contributions for special risk members</u>		
22	<u>are as follows:</u>		
23	<u>Dates of Contribution</u>		
24	<u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
25	<u>December 1, 1970, through September 30, 1974</u>	<u>6%</u>	<u>6%</u>
26	<u>October 1, 1974, through December 31, 1974,</u>	<u>8%</u>	<u>8%</u>
27	<u>for state agencies, state universities,</u>		
28	<u>community colleges and district school boards</u>		
29	<u>October 1, 1974, through September 30, 1975,</u>	<u>8%</u>	<u>8%</u>
30	<u>for all other local government agencies</u>		
31	<u>January 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>13%</u>

1	<u>for state agencies, state universities,</u>		
2	<u>community colleges and district school boards</u>		
3	<u>October 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>13%</u>
4	<u>for other local government agencies</u>		
5	<u>October 1, 1978, through September 30, 1981</u>	<u>0%</u>	<u>13.95%</u>
6	<u>October 1, 1981, through September 30, 1984</u>	<u>0%</u>	<u>13.91%</u>
7	<u>October 1, 1984, through September 30, 1986</u>	<u>0%</u>	<u>14.67%</u>
8	<u>October 1, 1986, through December 31, 1988</u>	<u>0%</u>	<u>15.11%</u>
9	<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>15.90%</u>
10	<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>16.70%</u>
11	<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>17.51%</u>
12	<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>18.31%</u>
13	<u>Effective January 1, 1993</u>	<u>0%</u>	<u>19.10%</u>

14
15 (c) Retirement contributions for special risk
16 administrative support members are as follows:

17	<u>Dates of Contribution</u>		
18	<u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
19	<u>July 1, 1982, through September 30, 1984</u>	<u>0%</u>	<u>11.14%</u>
20	<u>October 1, 1984, through September 30, 1986</u>	<u>0%</u>	<u>13.09%</u>
21	<u>October 1, 1986, through December 31, 1988</u>	<u>0%</u>	<u>15.44%</u>
22	<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>14.76%</u>
23	<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>14.09%</u>
24	<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>13.41%</u>
25	<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>12.74%</u>
26	<u>Effective January 1, 1993</u>	<u>0%</u>	<u>12.06%</u>

27
28 ~~Until January 1, 1975, regular members shall contribute~~
29 ~~each pay period at the rate of 4 percent of gross compensation~~
30 ~~and special risk members shall contribute each pay period at~~
31 ~~the rate of 8 percent of gross compensation. --Effective~~

1 ~~January 1, 1975, regular members and special risk members~~
2 ~~shall make no contribution to the system.~~
3 ~~(2)(a) -- Until January 1, 1975, each employer shall~~
4 ~~contribute an amount equal to the total of its member~~
5 ~~contributions, made under subsection (1), each pay period.~~
6 ~~Effective January 1, 1975, and until October 1, 1978, each~~
7 ~~employer shall contribute 9 percent of gross compensation each~~
8 ~~pay period for each of its regular members and 13 percent of~~
9 ~~gross compensation each pay period for each of its special~~
10 ~~risk members. -- Effective October 1, 1978, each employer shall~~
11 ~~contribute 9.1 percent of gross compensation each pay period~~
12 ~~for each of its regular members and 13.95 percent of gross~~
13 ~~compensation each pay period for each of its special risk~~
14 ~~members. -- Effective October 1, 1981, each employer shall~~
15 ~~contribute 10.93 percent of gross compensation each pay period~~
16 ~~for each of its regular members and 13.91 percent of gross~~
17 ~~compensation each pay period for each of its special risk~~
18 ~~members. -- Effective October 1, 1984, each employer shall~~
19 ~~contribute 12.24 percent of gross compensation each pay period~~
20 ~~for each of its regular members and 14.67 percent of gross~~
21 ~~compensation each pay period for each of its special risk~~
22 ~~members. -- Effective October 1, 1986, each employer shall~~
23 ~~contribute 13.14 percent of gross compensation each pay period~~
24 ~~for each of its regular members and 15.11 percent of gross~~
25 ~~compensation each pay period for each of its special risk~~
26 ~~members. -- Effective October 1, 1987, each employer shall~~
27 ~~contribute 13.38 percent of gross compensation each pay period~~
28 ~~for each of its regular members and 15.35 percent of gross~~
29 ~~compensation each pay period for each of its special risk~~
30 ~~members. -- Effective October 1, 1988, each employer shall~~
31 ~~contribute 13.62 percent of gross compensation each pay period~~

1 for each of its regular members and 15.59 percent of gross
2 compensation each pay period for each of its special risk
3 members.
4 (b) -- Effective July 1, 1982, each employer shall
5 contribute 11.14 percent of gross compensation each pay period
6 for each of its members serving in an administrative support
7 position in a law enforcement, firefighting, or correctional
8 agency as provided in s. 121.0515(7). -- Effective October 1,
9 1984, each employer shall contribute 13.89 percent of gross
10 compensation each pay period for each of its members serving
11 in an administrative support position in a law enforcement,
12 firefighting, or correctional agency as provided in s.
13 121.0515(7). -- Effective October 1, 1986, each employer shall
14 contribute 15.44 percent of gross compensation each pay period
15 for each of its members serving in an administrative support
16 position in a law enforcement, firefighting, or correctional
17 agency as provided in s. 121.0515(7). -- Effective October 1,
18 1987, each employer shall contribute 15.68 percent of gross
19 compensation each pay period for each of its members serving
20 in an administrative support position in a law enforcement,
21 firefighting, or correctional agency as provided in s.
22 121.0515(7). -- Effective October 1, 1988, each employer shall
23 contribute 15.92 percent of gross compensation each pay period
24 for each of its members serving in an administrative support
25 position in a law enforcement, firefighting, or correctional
26 agency as provided in s. 121.0515(7).
27 (2)(3)(a) Effective January 1, 1975, or October 1,
28 1975, as applicable, each employer shall accomplish the
29 increased contribution required by subsection (1) (2) by a
30 procedure in which no employee's gross salary shall be
31 reduced.

1 (b) Upon termination of employment for any reason
2 other than retirement, a member shall be entitled to a full
3 refund of the contributions he has made prior or subsequent to
4 his participation in the noncontributory plan, subject to the
5 restrictions otherwise provided in this chapter.

6 ~~(3)~~(4) The employer paying the salary of a member
7 shall contribute an amount as specified in this section which
8 shall constitute the entire employer retirement contribution
9 with respect to such member. The employer shall also withhold
10 one-half of the entire contribution of the member required for
11 social security coverage. Contributions for social security
12 by each member and each employer, in the amount required for
13 social security coverage as now or hereafter provided by the
14 federal Social Security Act, shall be in addition to
15 contributions specified in subsection (1) ~~subsections (2) and~~
16 ~~(3).~~

17 (4) Effective October 1, 1987, each employer shall
18 contribute on behalf of each member an amount equal to .24
19 percent of the member's gross salary, which shall constitute
20 the entire health insurance subsidy contribution with respect
21 to such member. Effective January 1, 1989, each employer
22 shall contribute an amount equal to .48 percent of each
23 members' gross salary, which shall constitute the entire
24 health insurance subsidy contribution with respect to such
25 member. Such contributions shall be deposited by the
26 administrator in the Retiree Health Insurance Subsidy Trust
27 Fund.

28 (5) Contributions made in accordance with subsections
29 (1), (2), (3), and (4) shall be paid by the employer into the
30 system trust funds in accordance with rules promulgated by the
31 administrator pursuant to chapter 120. Such contributions are

1 due and payable no later than the 25th day of the month
2 immediately following the month during which the payroll
3 period ended. The division may by rule establish a different
4 due date, which shall supersede the date specified herein;
5 however, such due date may not be established earlier than the
6 20th day of the month immediately following the month during
7 which the payroll period ended. Effective January 1, 1984,
8 contributions made in accordance with subsection (3) ~~(4)~~ shall
9 be paid by the employer into the system trust fund in
10 accordance with rules promulgated by the administrator
11 pursuant to chapter 120. For any payroll period ending any
12 day of the month before the 16th day of the month, such
13 contributions are due and payable no later than the 20th day
14 of the month; and, for any payroll periods ending any day of
15 the month after the 15th day of the month, such contributions
16 are due and payable no later than the 5th day of the next
17 month. Contributions received in the offices of the Division
18 of Retirement of the Department of Administration after the
19 prescribed date shall be considered delinquent unless, in the
20 opinion of the division, exceptional circumstances beyond an
21 employer's control prevented remittance by the prescribed due
22 date notwithstanding such employer's good faith efforts to
23 effect delivery; and, with respect to retirement contributions
24 due under subsections (1) and (4) ~~(2) and (3)~~, each employer
25 shall be assessed a delinquent fee of 1 percent of the
26 contributions due for each calendar month or part thereof that
27 the contributions are delinquent. Such a waiver of the
28 delinquency fee by the division may be granted an employer
29 only one time each fiscal year. Delinquent social security
30 contributions shall be assessed a delinquent fee as authorized
31 by s. 650.05(4). The delinquent fee assessable for an

1 employer's first delinquency after July 1, 1984, shall be as
2 specified in s. 650.05(4), and, beginning with the second
3 delinquency in any fiscal year by the employer subsequent to
4 July 1, 1984, all subsequent delinquency fees shall be
5 assessed against the employer at twice the applicable
6 percentage rate specified in s. 650.05(4).

7 Section 6. Paragraph (b) of subsection (12) of section
8 121.40, Florida Statutes, is amended to read:

9 121.40 Cooperative extension personnel at the
10 Institute of Food and Agricultural Sciences; supplemental
11 retirement benefits.--

12 (12) CONTRIBUTIONS.--

13 (b) The monthly contributions required to be paid
14 pursuant to paragraph (a) ~~on shall be equal to 6.68 percent of~~
15 the gross monthly salaries, from all sources with respect to
16 such employment, paid to those employees of the institute who
17 hold both state and federal appointments and who participate
18 in the federal Civil Service Retirement System shall be as
19 follows:

<u>Dates of Contribution</u>	<u>Percentage</u>
<u>Rate Changes</u>	<u>Due</u>
<u>July 1, 1985, through December 31, 1988</u>	<u>6.68%</u>
<u>Effective January 1, 1989</u>	<u>6.35%</u>

24 Section 7. Notwithstanding the provisions of sections
25 3, 4 and 5 of this act, it is the intent of the Legislature
26 that, should any other law be enacted which provides a
27 contribution rate change for a membership class within the
28 Florida Retirement System to take effect on or after July 1,
29 1988, the respective January 1, 1989, contribution rate shall
30 be equal to the contribution rate specified in this act, plus
31 the contribution rate change specified in each such other law;

1 and, should any law be enacted which provides a contribution
2 rate change for a membership class within the Florida
3 Retirement System to take effect subsequent to January 1,
4 1989, the respective contribution rate shall equal the
5 respective contribution rate in effect on the day before the
6 new contribution rate is to take effect, plus the contribution
7 rate change specified in such law. If a contribution rate,
8 rather than a contribution rate change is specified in any
9 such other law, the contribution rate change for that law
10 shall equal the difference between the December 31, 1988,
11 contribution rate for the affected membership class and the
12 contribution rate specified in such law. The language in this
13 section of the act shall be construed as directory intent
14 language only, which shall be placed in the statutes as a
15 footnote.

16 Section 8. This act shall take effect October 1, 1988.

17
18 *****

19 HOUSE SUMMARY

20 Advances to January 1, 1989, the effective date of
21 contribution rate increases with respect to the retiree
22 health insurance subsidy. Deletes language requiring
23 that benefit increases be amortized over a 15-year period
24 under the Florida Retirement System. Revises
25 contribution rates applicable to all classes of the
26 Florida Retirement System and provides contribution rates
27 for the retiree health insurance subsidy.

28 This publication was produced at an average cost of 1.12 cents
29 per single page in compliance with the Rules and for
30 the information of members of the Legislature and the public.

By the Committees on Appropriations and Retirement, Personnel & Collective Bargaining and Representative Martinez

1 A bill to be entitled
2 An act relating to retirement; amending s.
3 112.363, F.S.; revising the effective date of
4 contribution rate increases with respect to the
5 retiree health insurance subsidy; amending s.
6 121.031, F.S.; repealing language requiring
7 benefit increases to be amortized over a 15-
8 year period; amending s. 121.052, F.S.;
9 revising contribution rates applicable to
10 members of the Elected State Officers' Class;
11 providing a contribution rate for the Retiree
12 Health Insurance Subsidy; amending s. 121.055,
13 F.S.; authorizing certain persons to
14 participate in the Senior Management Service
15 Class; providing for alternative participation;
16 revising the contribution rate applicable to
17 members of the Senior Management Service Class;
18 providing a contribution rate for the retiree
19 health insurance subsidy; amending s. 121.071,
20 F.S.; revising contribution rates applicable to
21 members of the Regular Class, Special Risk
22 Class and Special Risk Administrative Support
23 Class; providing a contribution rate for the
24 retiree health insurance subsidy; amending s.
25 121.40, F.S.; revising the contribution rate
26 applicable to Institute of Food and
27 Agricultural Science Supplemental Retirement
28 Act; specifying intent with respect to the
29 contribution rates specified in this act;
30 providing an effective date.
31

1 Be It Enacted by the Legislature of the State of Florida;

2

3 Section 1. Paragraph (b) of subsection (8) of section
4 112.363, Florida Statutes, is amended to read:

5 112.363 Retiree health insurance subsidy.--

6 (8) CONTRIBUTIONS.--For purposes of funding the
7 insurance subsidy provided by this section:

8 (b) Beginning January 1, 1989 ~~October 1, 1988~~, the
9 employer of each member of a state-administered retirement
10 plan shall contribute 0.48 percent of gross compensation each
11 pay period.

12

13 Such contributions shall be submitted to the Division of
14 Retirement and deposited in the Retiree Health Insurance
15 Subsidy Trust Fund.

16 Section 2. Subsection (4) of section 121.031, Florida
17 Statutes, is amended to read:

18 121.031 Administration of system; appropriation;
19 oaths; actuarial studies.--

20 (4) Notwithstanding the provisions of s. 112.64(4) to
21 the contrary, the net increase, if any, in unfunded liability
22 under the system arising from significant system amendments
23 adopted or changes in assumptions shall be amortized within 30
24 plan years, ~~and the net increase, if any, in unfunded~~
25 ~~liability arising from experience losses or gains, or~~
26 ~~supplemental retiree benefit increases, shall be amortized~~
27 ~~within 15 plan years.~~

28 Section 3. Subsection (4) of section 121.052, Florida
29 Statutes, is amended to read:

30 121.052 Membership class of certain elected state
31 officers.--

1 (4)(a) The following table states the required
 2 retirement contribution rates for members of the Elected State
 3 Officers' Class and their employers in terms of Percentages of
 4 the members' gross compensation. Changes in the contribution
 5 rates are effective with the first salary paid on or after the
 6 beginning date of a change. Contributions shall be made or
 7 deducted as may be appropriate for each pay period and shall
 8 be in addition to the contributions required for social
 9 security and the Retiree Health Insurance Subsidy.

10 Dates of Contribution

11 <u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
12 <u>July 1, 1972, through September 30, 1977</u>		
13 <u>Legislators</u>	<u>8%</u>	<u>8%</u>
14 <u>All other Members</u>	<u>8%</u>	<u>8%</u>
15 <u>October 1, 1977, through September 30, 1978</u>		
16 <u>Legislators</u>	<u>8%</u>	<u>8%</u>
17 <u>All other Members</u>	<u>4%</u>	<u>12%</u>
18 <u>October 1, 1978, through September 30, 1979</u>		
19 <u>Legislators</u>	<u>8%</u>	<u>10.57%</u>
20 <u>All other Members</u>	<u>4%</u>	<u>16.78%</u>
21 <u>October 1, 1979, through September 30, 1981</u>		
22 <u>Legislators</u>	<u>8%</u>	<u>10.57%</u>
23 <u>Governor, Lt. Governor, Cabinet Officers</u>	<u>4%</u>	<u>16.78%</u>
24 <u>All Other Members</u>	<u>0%</u>	<u>20.78%</u>
25 <u>July 1, 1981, through June 30, 1984</u>		
26 <u>County Elected Officers</u>	<u>0%</u>	<u>19.30%</u>
27 <u>July 1, 1984, through September 30, 1984</u>		
28 <u>County Elected Officers</u>	<u>0%</u>	<u>20.25%</u>
29 <u>October 1, 1981, through September 30, 1984</u>		
30 <u>Legislators</u>	<u>0%</u>	<u>19.30%</u>
31 <u>Governor, Lt. Governor, Cabinet Officer</u>	<u>0%</u>	<u>21.03%</u>

1	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>20.95%</u>
2	<u>Justice, Judge</u>	<u>0%</u>	<u>22.55%</u>
3	<u>October 1, 1984, through September 30, 1986</u>		
4	<u>Legislators</u>	<u>0%</u>	<u>10.98%</u>
5	<u>Governor, Lt. Governor, Cabinet Officer</u>	<u>0%</u>	<u>10.98%</u>
6	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>10.98%</u>
7	<u>Justice, Judge</u>	<u>0%</u>	<u>21.79%</u>
8	<u>County Elected Officers</u>	<u>0%</u>	<u>16.97%</u>
9	<u>October 1, 1986, through December 31, 1988</u>		
10	<u>Legislators</u>	<u>0%</u>	<u>11.50%</u>
11	<u>Governor, Lt. Governor, Cabinet Officer</u>	<u>0%</u>	<u>11.50%</u>
12	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>11.50%</u>
13	<u>Justice, Judge</u>	<u>0%</u>	<u>20.94%</u>
14	<u>County Elected Officers</u>	<u>0%</u>	<u>17.19%</u>
15	<u>January 1, 1989, through December 31, 1989</u>		
16	<u>Legislators</u>	<u>0%</u>	<u>13.70%</u>
17	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>13.70%</u>
18	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>13.70%</u>
19	<u>Justice, Judge</u>	<u>0%</u>	<u>22.58%</u>
20	<u>County Elected Officers</u>	<u>0%</u>	<u>18.44%</u>
21	<u>January 1, 1990, through December 31, 1990</u>		
22	<u>Legislators</u>	<u>0%</u>	<u>15.91%</u>
23	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>15.91%</u>
24	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>15.91%</u>
25	<u>Justice, Judge</u>	<u>0%</u>	<u>24.22%</u>
26	<u>County Elected Officers</u>	<u>0%</u>	<u>19.71%</u>
27	<u>January 1, 1991, through December 31, 1991</u>		
28	<u>Legislators</u>	<u>0%</u>	<u>18.12%</u>
29	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>18.12%</u>
30	<u>State Attorney, Public Defender</u>	<u>0%</u>	<u>18.12%</u>
31	<u>Justice, Judge</u>	<u>0%</u>	<u>25.87%</u>

1	<u>County Elected Officers</u>	0%	<u>20.97%</u>
2	<u>January 1, 1992, through December 31, 1992</u>		
3	<u>Legislators</u>	0%	<u>20.33%</u>
4	<u>Governor, Lt. Governor, Cabinet Officers</u>	0%	<u>20.33%</u>
5	<u>State Attorney, Public Defender</u>	0%	<u>20.33%</u>
6	<u>Justice, Judge</u>	0%	<u>27.51%</u>
7	<u>County Elected Officers</u>	0%	<u>22.24%</u>
8	<u>Effective January 1, 1993</u>		
9	<u>Legislators</u>	0%	<u>22.53%</u>
10	<u>Governor, Lt. Governor, Cabinet Officers</u>	0%	<u>22.53%</u>
11	<u>State Attorney, Public Defender</u>	0%	<u>22.53%</u>
12	<u>Justice, Judge</u>	0%	<u>29.15%</u>
13	<u>County Elected Officers</u>	0%	<u>23.49%</u>
14	(a)1. From and after October 1, 1978, and except as		
15	provided in this subsection, the employer paying the salary of		
16	a member of the Elected State Officers' Class shall withhold 8		
17	percent of his gross salary, which shall constitute the		
18	contribution of that member with respect to retirement and		
19	other benefits payable to members of this class, and one-half		
20	of the entire contribution of the member required for social		
21	security coverage. The employer withholding such		
22	contributions shall set aside the funds necessary to pay the		
23	matching contributions required pursuant to s. 121.061 and		
24	shall contribute an amount equal to 18.57 percent of such		
25	member's gross compensation and one-half of the entire		
26	contribution with respect to the member's social security		
27	coverage.		
28	2. From and after October 1, 1981, the employer paying		
29	the salary of any member of the Elected State Officers' Class		
30	who is a legislator shall contribute an amount equal to 19.3		
31	percent of such member's gross compensation, which shall		

1 ~~constitute the entire contribution with respect to such~~
2 ~~member. -- From and after October 1, 1984, the employer paying~~
3 ~~the salary of any member of the Elected State Officers' Class~~
4 ~~who is a legislator shall contribute an amount equal to 18.98~~
5 ~~percent of such member's gross compensation, which shall~~
6 ~~constitute the entire contribution with respect to such~~
7 ~~member. -- From and after October 1, 1986, the employer paying~~
8 ~~the salary of any member of the Elected State Officers' Class~~
9 ~~who is a legislator shall contribute an amount equal to 11.50~~
10 ~~percent of such member's gross compensation, which shall~~
11 ~~constitute the entire contribution with respect to such~~
12 ~~member. -- Effective October 1, 1987, the employer paying the~~
13 ~~salary of any member of the Elected State Officers' Class who~~
14 ~~is a legislator shall contribute an amount equal to 11.74~~
15 ~~percent of such member's gross compensation, which shall~~
16 ~~constitute the entire contribution with respect to such~~
17 ~~member. -- Effective October 1, 1988, the employer paying the~~
18 ~~salary of any member of the Elected State Officers' Class who~~
19 ~~is a legislator shall contribute an amount equal to 11.98~~
20 ~~percent of such member's gross compensation, which shall~~
21 ~~constitute the entire contribution with respect to such~~
22 ~~member. -- The employer shall, however, withhold one-half of the~~
23 ~~entire contribution of the member required for social security~~
24 ~~coverage.~~
25 (b) ~~From and after October 1, 1978, the employer~~
26 ~~paying the salary of any member of the Elected State Officers'~~
27 ~~Class who is a Governor, Lieutenant Governor, Cabinet officer,~~
28 ~~Supreme Court justice, district court of appeal judge, circuit~~
29 ~~judge, county court judge, state attorney, public service~~
30 ~~commissioner, or public defender shall contribute an amount~~
31 ~~equal to 16.78 percent of such member's gross compensation and~~

1 shall withhold 4 percent of such member's gross compensation,
2 the sum of which shall constitute the entire contribution with
3 respect to such member. -- The employer shall, however, withhold
4 one-half of the entire contribution of the member required for
5 social security coverage. -- Effective July 1, 1979, any member
6 of the Elected State Officers' Class who is a public service
7 commissioner shall be removed from this class, shall become a
8 regular member on that date, and shall be subject to the
9 contribution provisions of s. 121.071 which pertain to regular
10 members:

11 2. -- From and after October 1, 1981, the employer paying
12 the salary of any member of the Elected State Officers' Class
13 who is a Governor, Lieutenant Governor, or Cabinet officer
14 shall contribute an amount equal to 21.03 percent of such
15 member's gross compensation, which shall constitute the entire
16 contribution with respect to such member. -- From and after
17 October 1, 1984, the employer paying the salary of any member
18 of the Elected State Officers' Class who is a Governor,
19 Lieutenant Governor, or Cabinet officer shall contribute an
20 amount equal to 18.98 percent of such member's gross
21 compensation, which shall constitute the entire contribution
22 with respect to such member. -- From and after October 1, 1986,
23 the employer paying the salary of any member of the Elected
24 State Officers' Class who is a Governor, Lieutenant Governor,
25 or Cabinet officer shall contribute an amount equal to 11.58
26 percent of such member's gross compensation, which shall
27 constitute the entire contribution with respect to such
28 member. -- Effective October 1, 1987, the employer paying the
29 salary of any member of the Elected State Officers' Class who
30 is a Governor, Lieutenant Governor, or Cabinet officer shall
31 contribute an amount equal to 11.74 percent of such member's

1 gross compensation, which shall constitute the entire
2 contribution with respect to such member. -- Effective October
3 1, 1988, the employer paying the salary of any member of the
4 Elected State Officers' Class who is a Governor, Lieutenant
5 Governor or Cabinet officer shall contribute an amount equal
6 to 11.98 percent of such member's gross compensation, which
7 shall constitute the entire contribution with respect to such
8 member. -- The employer shall, however, withhold one-half of the
9 entire contribution of the member required for social security
10 coverage.

11 (c) -- From and after October 1, 1979, the employer
12 paying the salary of any member of the Elected State Officers'
13 Class who is a Supreme Court justice, district court of appeal
14 judge, circuit judge, county court judge, state attorney, or
15 public defender shall contribute an amount equal to 29.78
16 percent of that member's gross compensation, which shall
17 constitute the entire contribution with respect to that
18 member. -- The employer shall, however, withhold one-half of the
19 entire contribution of the member required for social security
20 coverage.

21 (d) -- Effective October 1, 1981, the employer paying the
22 salary of any member of the Elected State Officers' Class who
23 is a Supreme Court justice, district court of appeal judge,
24 circuit judge, or county court judge shall contribute an
25 amount equal to 22.55 percent of that member's gross
26 compensation, which shall constitute the entire contribution
27 with respect to that member. -- Effective October 1, 1984, the
28 employer paying the salary of any member of the Elected State
29 Officers' Class who is a Supreme Court justice, district court
30 of appeal judge, circuit judge, or county court judge shall
31 contribute an amount equal to 21.79 percent of that member's

1 ~~gross compensation, which shall constitute the entire~~
2 ~~contribution with respect to that member. -- Effective October~~
3 ~~1, 1986, the employer paying the salary of any member of the~~
4 ~~Elected State Officers' Class who is a Supreme Court justice,~~
5 ~~district court of appeal judge, circuit judge, or county court~~
6 ~~judge shall contribute an amount equal to 20.94 percent of~~
7 ~~that member's gross compensation, which shall constitute the~~
8 ~~entire contribution with respect to that member. -- Effective~~
9 ~~October 1, 1987, the employer paying the salary of any member~~
10 ~~of the Elected State Officers' Class who is a Supreme Court~~
11 ~~justice, district court of appeal judge, circuit judge, or~~
12 ~~county court judge shall contribute an amount equal to 21.18~~
13 ~~percent of that member's gross compensation, which shall~~
14 ~~constitute the entire contribution with respect to that~~
15 ~~member. -- Effective October 1, 1988, the employer paying the~~
16 ~~salary of any member of the Elected State Officers' Class who~~
17 ~~is a Supreme Court justice, district court of appeal judge,~~
18 ~~circuit judge, or county court judge shall contribute an~~
19 ~~amount equal to 21.42 percent of that member's gross~~
20 ~~compensation, which shall constitute the entire contribution~~
21 ~~with respect to that member. -- The employer shall, however,~~
22 ~~withhold one-half of the entire contribution of the member~~
23 ~~required for social security coverage,~~
24 (e) -- Effective October 1, 1981, the employer paying the
25 salary of any member of the Elected State Officers' Class who
26 is a state attorney or public defender shall contribute an
27 amount equal to 20.95 percent of that member's gross
28 compensation, which shall constitute the entire contribution
29 with respect to that member. -- Effective October 1, 1984, the
30 employer paying the salary of any member of the Elected State
31 Officers' Class who is a state attorney or public defender

1 ~~shall contribute an amount equal to 10.98 percent of that~~
2 ~~member's gross compensation, which shall constitute the entire~~
3 ~~contribution with respect to that member. -- Effective October~~
4 ~~1, 1986, the employer paying the salary of any member of the~~
5 ~~Elected State Officers' Class who is a state attorney or~~
6 ~~public defender shall contribute an amount equal to 11.50~~
7 ~~percent of that member's gross compensation, which shall~~
8 ~~constitute the entire contribution with respect to that~~
9 ~~member. -- Effective October 1, 1987, the employer paying the~~
10 ~~salary of any member of the Elected State Officers' Class who~~
11 ~~is a state attorney or public defender shall contribute an~~
12 ~~amount equal to 11.74 percent of that member's gross~~
13 ~~compensation, which shall constitute the entire contribution~~
14 ~~with respect to that member. -- Effective October 1, 1988, the~~
15 ~~employer paying the salary of any member of the Elected State~~
16 ~~Officers' Class who is a state attorney or public defender~~
17 ~~shall contribute an amount equal to 11.98 percent of that~~
18 ~~member's gross compensation, which shall constitute the entire~~
19 ~~contribution with respect to that member. -- The employer shall,~~
20 ~~however, withhold one-half of the entire contribution of the~~
21 ~~member required for social security coverage.~~
22 ~~(f) -- From and after July 1, 1981, the employer paying~~
23 ~~the salary of any member of the Elected State Officers' Class~~
24 ~~who is a county elected officer shall contribute an amount~~
25 ~~equal to 19.3 percent of that member's gross compensation,~~
26 ~~which shall constitute the entire contribution with respect to~~
27 ~~that member. -- The employer shall, however, withhold one-half~~
28 ~~of the entire contribution of the member required for social~~
29 ~~security coverage.~~
30 ~~(g) -- Effective July 1, 1984, the employer paying the~~
31 ~~salary of any member of the Elected State Officers' Class who~~

1 ~~is a county-elected officer shall contribute an amount equal~~
2 ~~to 20.25 percent of that member's gross compensation, which~~
3 ~~shall constitute the entire contribution with respect to that~~
4 ~~member. -- Effective October 1, 1984, the employer paying the~~
5 ~~salary of any member of the Elected State Officers' Class who~~
6 ~~is a county-elected officer shall contribute an amount equal~~
7 ~~to 16.97 percent of that member's gross compensation, which~~
8 ~~shall constitute the entire contribution with respect to that~~
9 ~~member. -- Effective October 1, 1986, the employer paying the~~
10 ~~salary of any member of the Elected State Officers' Class who~~
11 ~~is a county-elected officer shall contribute an amount equal~~
12 ~~to 17.19 percent of that member's gross compensation, which~~
13 ~~shall constitute the entire contribution with respect to that~~
14 ~~member. -- Effective October 1, 1987, the employer paying the~~
15 ~~salary of any member of the Elected State Officers' Class who~~
16 ~~is a county-elected officer shall contribute an amount equal~~
17 ~~to 17.43 percent of that member's gross compensation, which~~
18 ~~shall constitute the entire contribution with respect to that~~
19 ~~member. -- Effective October 1, 1988, the employer paying the~~
20 ~~salary of any member of the Elected State Officers' Class who~~
21 ~~is a county-elected officer shall contribute an amount equal~~
22 ~~to 17.67 percent of that member's gross compensation, which~~
23 ~~shall constitute the entire contribution with respect to that~~
24 ~~member. -- The employer shall, however, withhold one-half of the~~
25 ~~entire contribution of the member required for social security~~
26 ~~coverage.~~

27 **(b)(4) The employer paying the salary of a member of**
28 **the Elected State Officers' Class shall contribute an amount**
29 **as specified in this section which shall constitute the entire**
30 **employer retirement contribution with respect to such member.**
31 **The employer shall also withhold one-half of the entire**

1 contribution of the member required for social security
2 coverage. Elected State Officers' Class members'
3 contributions and matching contributions received from state
4 employers shall be deposited by the administrator in the
5 system trust fund and Social Security Trust Fund of the
6 Florida Retirement System.

7 (c) Effective October 1, 1987, each employer shall
8 contribute on behalf of each member in the Elected State
9 Officers' Class an amount equal to .24 percent of the member's
10 gross salary, which shall constitute the entire health
11 insurance subsidy contribution with respect to such member.
12 Effective January 1, 1989, each employer shall contribute an
13 amount equal to .48 percent of each members' gross salary,
14 which shall constitute the entire health insurance subsidy
15 contribution with respect to such member. Such contributions
16 shall be deposited by the administrator in the Retiree Health
17 Insurance Subsidy Trust Fund.

18 Section 4. Subsections (1) and (3) of section 121.055,
19 Florida Statutes, are amended to read:

20 121.055 Senior Management Service Class.--There is
21 hereby established a separate class of membership within the
22 Florida Retirement System to be known as the "Senior
23 Management Service Class," which shall become effective
24 February 1, 1987.

25 (1)(a) Participation in the Senior Management Service
26 Class shall be limited to and compulsory for any member of the
27 Florida Retirement System who holds a position in the Senior
28 Management Service of the State of Florida, established by
29 part IV of chapter 110, unless such member elects, within the
30 time specified herein, to participate in the Senior Management
31

1	<u>February 1, 1987, through December 31, 1988</u>	<u>0%</u>	<u>13.88%</u>
2	<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>14.95%</u>
3	<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>16.04%</u>
4	<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>17.12%</u>
5	<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>18.21%</u>
6	<u>Effective January 1, 1993</u>	<u>0%</u>	<u>19.28%</u>

7 **(b) The employer paying the salary of a member of the**
8 **Senior Management Service Class shall contribute an amount as**
9 **specified in this section which shall constitute the entire**
10 **employer retirement contribution with respect to such member.**
11 **The employer shall also withhold one-half of the entire**
12 **contribution of the member required for social security**
13 **coverage.**

14 **(c) Effective October 1, 1987, each employer shall**
15 **contribute on behalf of each member in the Senior Management**
16 **Service Class an amount equal to .24 percent of the member's**
17 **gross salary, which shall constitute the entire health**
18 **insurance subsidy contribution with respect to such member.**
19 **Effective January 1, 1989, each employer shall contribute an**
20 **amount equal to .48 percent of each members' gross salary,**
21 **which shall constitute the entire health insurance subsidy**
22 **contribution with respect to such member. Such contributions**
23 **shall be deposited by the administrator in the Retiree Health**
24 **Insurance Subsidy Trust Fund. Commencing-February-1,-1987,**
25 **the-employing-agency-of-a-member-of-the-Senior-Management**
26 **Service-Class-shall-contribute-each-pay-period-an-amount-equal**
27 **to-13.88-percent-of-the-member's-gross-salary,which-shall**
28 **constitute-the-entire-retirement-contribution-with-respect-to**
29 **such-member,plus-the-employer's-share-of-the-contribution**
30 **required-for-social-security-coverage.--Effective-October-1,**
31 **1987,-the-employing-agency-shall-contribute-each-pay-period-an**

1 amount equal to 14.12 percent of each member's gross salary,
2 which shall constitute the entire retirement contribution with
3 respect to such member. -- Effective October 1, 1988, the
4 employing agency shall contribute each pay period an amount
5 equal to 14.36 percent of each member's gross salary, which
6 shall constitute the entire retirement contribution with
7 respect to such member.

8 Section 5. Section 121.071, Florida Statutes, is
9 amended to read:

10 121.071 Contributions.--Contributions to the system
11 shall be made as follows:

12 (1) The following tables state the required retirement
13 contribution rates for members of the Regular Class, Special
14 Risk Class and Special Risk Administrative Support Class and
15 their employers in terms of percentages of the members' gross
16 compensation. Changes in the contribution rates are effective
17 with the first salary paid on or after the beginning date of a
18 change. Contributions shall be made or deducted as may be
19 appropriate for each pay period and shall be in addition to
20 the contributions required for social security and the Retiree
21 Health Insurance Subsidy Trust Fund.

22 (a) Retirement contributions for regular members are
23 as follows:

24 Dates of Contribution

<u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
<u>December 1, 1970, through December 31, 1974,</u> <u>for state agencies, state universities,</u> <u>community colleges and district school boards</u>	<u>4%</u>	<u>4%</u>
<u>December 1, 1970, through September 30, 1975,</u> <u>for all other local government agencies</u>	<u>4%</u>	<u>4%</u>
<u>January 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>9%</u>

1	<u>for state agencies, and state universities</u>		
2	<u>January 1, 1975, through July 31, 1978, for</u>	0%	9%
3	<u>community colleges and district school boards</u>		
4	<u>October 1, 1975, through September 30, 1978,</u>	0%	9%
5	<u>for all other local government agencies</u>		
6	<u>August 1, 1978, through September 30, 1981,</u>	0%	9.1%
7	<u>for community colleges and district school</u>		
8	<u>boards</u>		
9	<u>October 1, 1978, through September 30, 1981,</u>	0%	9.1%
10	<u>for all other agencies</u>		
11	<u>October 1, 1981, through September 30, 1984</u>	0%	10.93%
12	<u>October 1, 1984, through September 30, 1986</u>	0%	12.24%
13	<u>October 1, 1986, through December 31, 1988</u>	0%	13.14%
14	<u>January 1, 1989, through December 31, 1989</u>	0%	13.90%
15	<u>January 1, 1990, through December 31, 1990</u>	0%	14.66%
16	<u>January 1, 1991, through December 31, 1991</u>	0%	15.43%
17	<u>January 1, 1992, through December 31, 1992</u>	0%	16.19%
18	<u>Effective January 1, 1993</u>	0%	16.95%
19	<u>(b) Retirement contributions for special risk members</u>		
20	<u>are as follows:</u>		
21	<u>Dates of Contribution</u>		
22	<u>Rate Changes</u>	<u>Members</u>	<u>Employers</u>
23	<u>December 1, 1970, through September 30, 1974</u>	6%	6%
24	<u>October 1, 1974, through December 31, 1974,</u>	8%	8%
25	<u>for state agencies, state universities,</u>		
26	<u>community colleges and district school boards</u>		
27	<u>October 1, 1974, through September 30, 1975,</u>	8%	8%
28	<u>for all other local government agencies</u>		
29	<u>January 1, 1975, through September 30, 1978,</u>	0%	13%
30	<u>for state agencies, state universities,</u>		
31	<u>community colleges and district school boards</u>		

1	<u>October 1, 1975, through September 30, 1978,</u>	<u>0%</u>	<u>13%</u>
2	<u>for other local government agencies</u>		
3	<u>October 1, 1978, through September 30, 1981</u>	<u>0%</u>	<u>13.95%</u>
4	<u>October 1, 1981, through September 30, 1984</u>	<u>0%</u>	<u>13.91%</u>
5	<u>October 1, 1984, through September 30, 1986</u>	<u>0%</u>	<u>14.67%</u>
6	<u>October 1, 1986, through December 31, 1988</u>	<u>0%</u>	<u>15.11%</u>
7	<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>15.90%</u>
8	<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>16.70%</u>
9	<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>17.51%</u>
10	<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>18.31%</u>
11	<u>Effective January 1, 1993</u>	<u>0%</u>	<u>19.10%</u>

12

13 (c) Retirement contributions for special risk

14 administrative support members are as follows:

15 Dates of Contribution

16 Rate Changes

Members Employers

17	<u>July 1, 1982, through September 30, 1984</u>	<u>0%</u>	<u>11.14%</u>
18	<u>October 1, 1984, through September 30, 1986</u>	<u>0%</u>	<u>13.09%</u>
19	<u>October 1, 1986, through December 31, 1988</u>	<u>0%</u>	<u>15.44%</u>
20	<u>January 1, 1989, through December 31, 1989</u>	<u>0%</u>	<u>14.76%</u>
21	<u>January 1, 1990, through December 31, 1990</u>	<u>0%</u>	<u>14.09%</u>
22	<u>January 1, 1991, through December 31, 1991</u>	<u>0%</u>	<u>13.41%</u>
23	<u>January 1, 1992, through December 31, 1992</u>	<u>0%</u>	<u>12.74%</u>
24	<u>Effective January 1, 1993</u>	<u>0%</u>	<u>12.06%</u>

25

26 ~~Until January 1, 1975, regular members shall contribute~~
 27 ~~each pay period at the rate of 4 percent of gross compensation~~
 28 ~~and special risk members shall contribute each pay period at~~
 29 ~~the rate of 8 percent of gross compensation. Effective~~
 30 ~~January 1, 1975, regular members and special risk members~~
 31 ~~shall make no contribution to the system.~~

1 ~~(2)(a)--Until January 1, 1975, each employer shall~~
2 ~~contribute an amount equal to the total of its member~~
3 ~~contributions, made under subsection (1), each pay period.~~
4 ~~Effective January 1, 1975, and until October 1, 1978, each~~
5 ~~employer shall contribute 9 percent of gross compensation each~~
6 ~~pay period for each of its regular members and 13 percent of~~
7 ~~gross compensation each pay period for each of its special~~
8 ~~risk members.--Effective October 1, 1978, each employer shall~~
9 ~~contribute 9.1 percent of gross compensation each pay period~~
10 ~~for each of its regular members and 13.95 percent of gross~~
11 ~~compensation each pay period for each of its special risk~~
12 ~~members.--Effective October 1, 1981, each employer shall~~
13 ~~contribute 10.93 percent of gross compensation each pay period~~
14 ~~for each of its regular members and 13.91 percent of gross~~
15 ~~compensation each pay period for each of its special risk~~
16 ~~members.--Effective October 1, 1984, each employer shall~~
17 ~~contribute 12.24 percent of gross compensation each pay period~~
18 ~~for each of its regular members and 14.67 percent of gross~~
19 ~~compensation each pay period for each of its special risk~~
20 ~~members.--Effective October 1, 1986, each employer shall~~
21 ~~contribute 13.14 percent of gross compensation each pay period~~
22 ~~for each of its regular members and 15.11 percent of gross~~
23 ~~compensation each pay period for each of its special risk~~
24 ~~members.--Effective October 1, 1987, each employer shall~~
25 ~~contribute 13.38 percent of gross compensation each pay period~~
26 ~~for each of its regular members and 15.35 percent of gross~~
27 ~~compensation each pay period for each of its special risk~~
28 ~~members.--Effective October 1, 1988, each employer shall~~
29 ~~contribute 13.62 percent of gross compensation each pay period~~
30 ~~for each of its regular members and 15.59 percent of gross~~
31

1 | ~~compensation each pay period for each of its special risk~~
2 | ~~members.~~
3 | ~~(b)--Effective July 1, 1982, each employer shall~~
4 | ~~contribute 11.14 percent of gross compensation each pay period~~
5 | ~~for each of its members serving in an administrative support~~
6 | ~~position in a law enforcement, firefighting, or correctional~~
7 | ~~agency as provided in s. 121.0515(7).--Effective October 1,~~
8 | ~~1984, each employer shall contribute 13.09 percent of gross~~
9 | ~~compensation each pay period for each of its members serving~~
10 | ~~in an administrative support position in a law enforcement,~~
11 | ~~firefighting, or correctional agency as provided in s.~~
12 | ~~121.0515(7).--Effective October 1, 1986, each employer shall~~
13 | ~~contribute 15.44 percent of gross compensation each pay period~~
14 | ~~for each of its members serving in an administrative support~~
15 | ~~position in a law enforcement, firefighting, or correctional~~
16 | ~~agency as provided in s. 121.0515(7).--Effective October 1,~~
17 | ~~1987, each employer shall contribute 15.68 percent of gross~~
18 | ~~compensation each pay period for each of its members serving~~
19 | ~~in an administrative support position in a law enforcement,~~
20 | ~~firefighting, or correctional agency as provided in s.~~
21 | ~~121.0515(7).--Effective October 1, 1988, each employer shall~~
22 | ~~contribute 15.92 percent of gross compensation each pay period~~
23 | ~~for each of its members serving in an administrative support~~
24 | ~~position in a law enforcement, firefighting, or correctional~~
25 | ~~agency as provided in s. 121.0515(7).~~
26 | (2)(3)(a) Effective January 1, 1975, or October 1,
27 | 1975, as applicable, each employer shall accomplish the
28 | increased contribution required by subsection (1) (2) by a
29 | procedure in which no employee's gross salary shall be
30 | reduced.
31 |

1 (b) Upon termination of employment for any reason
2 other than retirement, a member shall be entitled to a full
3 refund of the contributions he has made prior or subsequent to
4 his participation in the noncontributory plan, subject to the
5 restrictions otherwise provided in this chapter.

6 (3)(4) The employer paying the salary of a member
7 shall contribute an amount as specified in this section which
8 shall constitute the entire employer retirement contribution
9 with respect to such member. The employer shall also withhold
10 one-half of the entire contribution of the member required for
11 social security coverage. Contributions for social security
12 by each member and each employer, in the amount required for
13 social security coverage as now or hereafter provided by the
14 federal Social Security Act, shall be in addition to
15 contributions specified in subsection (1) subsections-(2)-and
16 (3).

17 (4) Effective October 1, 1987, each employer shall
18 contribute on behalf of each member an amount equal to .24
19 percent of the member's gross salary, which shall constitute
20 the entire health insurance subsidy contribution with respect
21 to such member. Effective January 1, 1989, each employer
22 shall contribute an amount equal to .48 percent of each
23 members' gross salary, which shall constitute the entire
24 health insurance subsidy contribution with respect to such
25 member. Such contributions shall be deposited by the
26 administrator in the Retiree Health Insurance Subsidy Trust
27 Fund.

28 (5) Contributions made in accordance with subsections
29 (1), (2), (3), and (4) shall be paid by the employer into the
30 system trust funds in accordance with rules promulgated by the
31 administrator pursuant to chapter 120. Such contributions are

1 due and payable no later than the 25th day of the month
2 immediately following the month during which the payroll
3 period ended. The division may by rule establish a different
4 due date, which shall supersede the date specified herein;
5 however, such due date may not be established earlier than the
6 20th day of the month immediately following the month during
7 which the payroll period ended. Effective January 1, 1984,
8 contributions made in accordance with subsection (3) ~~(4)~~ shall
9 be paid by the employer into the system trust fund in
10 accordance with rules promulgated by the administrator
11 pursuant to chapter 120. For any payroll period ending any
12 day of the month before the 16th day of the month, such
13 contributions are due and payable no later than the 20th day
14 of the month; and, for any payroll periods ending any day of
15 the month after the 15th day of the month, such contributions
16 are due and payable no later than the 5th day of the next
17 month. Contributions received in the offices of the Division
18 of Retirement of the Department of Administration after the
19 prescribed date shall be considered delinquent unless, in the
20 opinion of the division, exceptional circumstances beyond an
21 employer's control prevented remittance by the prescribed due
22 date notwithstanding such employer's good faith efforts to
23 effect delivery; and, with respect to retirement contributions
24 due under subsections (1) and (4) ~~(2)~~ and ~~(3)~~, each employer
25 shall be assessed a delinquent fee of 1 percent of the
26 contributions due for each calendar month or part thereof that
27 the contributions are delinquent. Such a waiver of the
28 delinquency fee by the division may be granted an employer
29 only one time each fiscal year. Delinquent social security
30 contributions shall be assessed a delinquent fee as authorized
31 by s. 650.05(4). The delinquent fee assessable for an

1 employer's first delinquency after July 1, 1984, shall be as
2 specified in s. 650.05(4), and, beginning with the second
3 delinquency in any fiscal year by the employer subsequent to
4 July 1, 1984, all subsequent delinquency fees shall be
5 assessed against the employer at twice the applicable
6 percentage rate specified in s. 650.05(4).

7 Section 6. Paragraph (b) of subsection (12) of section
8 121.40, Florida Statutes, is amended to read:

9 121.40 Cooperative extension personnel at the
10 Institute of Food and Agricultural Sciences; supplemental
11 retirement benefits.--

12 (12) CONTRIBUTIONS.--

13 (b) The monthly contributions required to be paid
14 pursuant to paragraph (a) ~~on shall be equal to 6.68 percent of~~
15 the gross monthly salaries, from all sources with respect to
16 such employment, paid to those employees of the institute who
17 hold both state and federal appointments and who participate
18 in the federal Civil Service Retirement System shall be as
19 follows:

<u>Dates of Contribution</u>	<u>Percentage</u>
<u>Rate Changes</u>	<u>Due</u>
<u>July 1, 1985, through December 31, 1988</u>	<u>6.68%</u>
<u>Effective January 1, 1989</u>	<u>6.35%</u>

24 Section 7. Notwithstanding the provisions of sections
25 3, 4 and 5 of this act, it is the intent of the Legislature
26 that, should any other law be enacted which provides a
27 contribution rate change for a membership class within the
28 Florida Retirement System to take effect on or after July 1,
29 1988, the respective January 1, 1989, contribution rate shall
30 be equal to the contribution rate specified in this act, plus
31 the contribution rate change specified in each such other law;

1 and, should any law be enacted which provides a contribution
2 rate change for a membership class within the Florida
3 Retirement System to take effect subsequent to January 1,
4 1989, the respective contribution rate shall equal the
5 respective contribution rate in effect on the day before the
6 new contribution rate is to take effect, plus the contribution
7 rate change specified in such law. If a contribution rate,
8 rather than a contribution rate change is specified in any
9 such other law, the contribution rate change for that law
10 shall equal the difference between the December 31, 1988,
11 contribution rate for the affected membership class and the
12 contribution rate specified in such law. The language in this
13 section of the act shall be construed as directory intent
14 language only, which shall be placed in the statutes as a
15 footnote.

16 Section 8. This act shall take effect October 1, 1988.

17
18 *****

19 HOUSE SUMMARY

20 Advances to January 1, 1989, the effective date of
21 contribution rate increases with respect to the retiree
22 health insurance subsidy. Deletes language requiring
23 that benefit increases be amortized over a 15-year period
24 under the Florida Retirement System. Revises
25 contribution rates applicable to all classes of the
26 Florida Retirement System and provides contribution rates
27 for the retiree health insurance subsidy.

28 This publication was produced at an average cost of 1.12 cents
29 per single page in compliance with the Rules and for
30 the information of members of the Legislature and the public.
31

FLORIDA LEGISLATURE

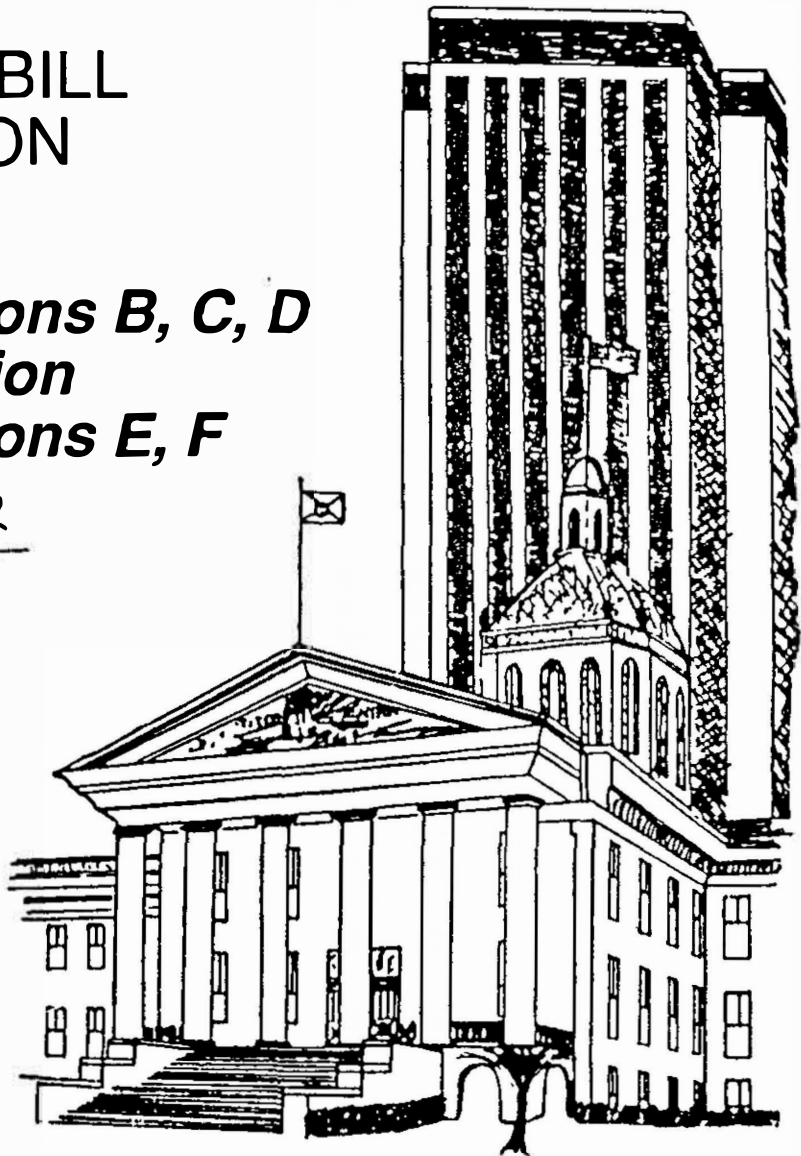
FINAL LEGISLATIVE BILL INFORMATION

1987 Special Sessions B, C, D
1988 Regular Session
1988 Special Sessions E, F

RE: Chapter 88-382

CS/HB 1497 (Passed)
CS/SB 1343 (Similar)
CS/CS/HB 148 (Compare)
HB 218 (")
HB 239 (") ✓
* CS/SB 150 (")
SB 1195 (")

* Passed as Ch. 88-238



prepared by:

Joint Legislative Management Committee
Legislative Information Division
Capitol Building, Room 826 — 488-4371

HISTORY OF HOUSE BILLS

H 1493 (CONTINUED)

- 04/25/88 HOUSE Introduced, referred to Higher Education; Appropriations -HJ 247
- 04/28/88 HOUSE Withdrawn from Higher Education -HJ 286, Now in Appropriations -HJ 286
- 05/06/88 HOUSE On Committee agenda—Appropriations, 05/10/88, 1.15 pm, Morris Hall
- 05/10/88 HOUSE Preliminary Committee Action by Appropriations: Favorable as a Committee Substitute
- 05/13/88 HOUSE Comm. Report: CS by Appropriations, placed on Calendar -HJ 498; CS read first time -HJ 497
- 05/19/88 HOUSE Placed on Special Order Calendar; Read second time -HJ 615
- 05/24/88 HOUSE Read third time, CS passed, YEAS 118 NAYS 0 -HJ 645
- 05/24/88 SENATE In Messages
- 05/25/88 SENATE Received, referred to Health and Rehabilitative Services, Education, Appropriations -SJ 379
- 05/27/88 SENATE Extension of time granted Committee Health and Rehabilitative Services
- 06/07/88 SENATE Died in Committee on Health and Rehabilitative Services, Iden /Sim /Compare bill passed, refer to CS/CS/SB 534 (Ch 88-294)

H 1494 GENERAL BILL by Veterans, Military Affairs & Emergency Preparedness; Locke and others

- Physician/Medical Transportation; redefines term "physician" re medical transportation services Amends 401.23(19) Effective Date Upon becoming law.
- 04/20/88 HOUSE Filed
- 04/25/88 HOUSE Introduced, referred to Regulatory Reform -HJ 247
- 05/04/88 HOUSE Subreferred to Subcommittee on Professional Regulation; On subcommittee agenda—Regulatory Reform, 05/04/88, 8 15 am, Morris Hall, Subcommittee Recommendation pending ratification by full Committee: Favorable with 2 amendments, On Committee agenda, pending subcommittee action—Regulatory Reform, 05/05/88, 1:15 pm, Morris Hall—Not considered
- 05/11/88 HOUSE Withdrawn from Regulatory Reform -HJ 413; Placed on Calendar
- 06/07/88 HOUSE Died on Calendar

H 1495 RESOLUTION by Logan and others

- Carol City Senior H.S. Basketball; commends Carol City Senior High School Basketball Team for winning 1988 Class 4A State Basketball Championship.
- 04/20/88 HOUSE Filed
- 04/25/88 HOUSE Introduced, referred to Education, K - 12 -HJ 247
- 05/30/88 HOUSE Withdrawn from Education, K - 12 -HJ 902, Placed on Calendar
- 06/01/88 HOUSE Read second time, Adopted. -HJ 1193

H 1496 GENERAL BILL/SHORT FORM by Bronson

- Tourist Information Centers; proposes that committee study be given to feasibility of designating state-sanctioned tourist information centers, to be distinguished from other tourist bureaus & visitors' centers by official emblem or symbol.
- 04/20/88 HOUSE Filed
- 04/25/88 HOUSE Proposed, referred to Tourism & Cultural Affairs -HJ 247
- 06/07/88 HOUSE Died in Committee on Tourism & Cultural Affairs

H 1497 GENERAL BILL/CS/ENG by Appropriations; Retirement, Personnel & Collective Bargaining; Martinez (Similar CS/S 1343, Compare CS/CS/ENG/H 148, ENG/H 218, ENG/H 239, CS/ENG/S 150, S 1195)

- Retirement/Contribution Rates, revises effective date of contribution rate increases re retiree health ins. subsidy; repeals language requiring benefit increases to be amortized over 15-year period; revises contribution rates applicable to members of Elected State Officers' Class, Senior Mgmt. Service Class, Regular Class, Special Risk Class, & Special Risk Administrative Support Class, & Institute of Food & Agric. Science Supplemental Retirement Act, etc Amends Chs. 121, 112. Effective Date: 10/01/88 except as otherwise provided.
- 04/20/88 HOUSE Filed
- 04/25/88 HOUSE Introduced, referred to Appropriations -HJ 247
- 05/03/88 HOUSE On Committee agenda—Appropriations, 05/05/88, 3:30 pm, Morris Hall
- 05/06/88 HOUSE On Committee agenda—Appropriations, 05/10/88, 1.15 pm, Morris Hall
- 05/10/88 HOUSE Preliminary Committee Action by Appropriations Favorable as a Committee Substitute
- 05/16/88 HOUSE Comm. Report: CS by Appropriations, placed on Calendar -HJ 499, CS read first time -HJ 497
- 05/25/88 HOUSE Placed on Special Order Calendar
- 06/30/88 HOUSE Read second time -HJ 853; Amendments adopted, Read third time, CS passed as amended, YEAS 112 NAYS 0 -HJ 861
- 05/30/88 SENATE In Messages

H 1497 (CONTINUED)

- 06/01/88 SENATE Received, referred to Personnel, Retirement and Collective Bargaining, Appropriations -SJ 621; Withdrawn from Personnel, Retirement and Collective Bargaining, Appropriations; Substituted for CS/SB 1343 -SJ 682, CS passed as amended, YEAS 35 NAYS 0 -SJ 693
- 06/01/88 HOUSE In Messages
- 06/03/88 HOUSE Was taken up -HJ 1388, Amendments to Senate amendments adopted, Concurred in Senate amendments as amended; CS passed as further amended, YEAS 101 NAYS 10 -HJ 1409
- 06/03/88 SENATE In Messages
- 06/07/88 SENATE Was taken up -SJ 1117; Amendments to House amendments to Senate amendments adopted; Concurred in House amendments to Senate amendments as amended; Requested House to concur; CS passed as amended; YEAS 31 NAYS 0 -SJ 1125
- 06/07/88 HOUSE In Messages, Concurred; CS passed as further amended; YEAS 119 NAYS 0 -HJ 1740
- 06/07/88 Ordered engrossed, then enrolled
- 06/21/88 Signed by Officers and presented to Governor
- 07/06/88 Approved by Governor, Chapter No 88-382

H 1498 GENERAL BILL by Regulated Industries & Licensing; Meffert (Similar CS/S 1218, Compare H 1418, CS/ENG/S 1326)

- Malt Beverages/Stamp describes additional method by which stamp may be placed on crown or can bottom or can lid of malt beverages, amends content of stamp thereon. Amends 563.06 Effective Date: Upon becoming law
- 04/21/88 HOUSE Filed
- 04/25/88 HOUSE Introduced, placed on Calendar -HJ 247
- 06/07/88 HOUSE Died on Calendar, Iden /Sim /Compare Bill passed, refer to CS/SB 1218 (Ch 88-413) & CS/SB 1326 (Ch 88-308)

H 1499 GENERAL BILL/CS/ENG by Finance & Taxation; Regulated Industries & Licensing; Meffert (Compare H 738, S 1047, CS/ENG/S 1326)

- Cigarettes & Rev & Tobacco T.F., extends time limit to file for refunds on damaged cigarettes, provides intent language re 1986 appropriation to Alcoholic Beverage & Tobacco Trust Fund; eliminates service charges to general revenue on revenues deposited into said trust fund which are subject to distribution to local government, requires assessment of interest on late cigarette tax payments. Amends 210.02, 11, 215.22. Effective Date: 07/01/88 or upon becoming law, whichever occurs later
- 04/21/88 HOUSE Filed
- 04/25/88 HOUSE Introduced, referred to Finance & Taxation, Appropriations -HJ 248
- 05/09/88 HOUSE On Committee agenda—Finance & Taxation, 05/11/88, 1:30 pm, 21-HOB—For subreferral only
- 05/19/88 HOUSE On Committee agenda—Finance & Taxation, 05/19/88, 8:00 am, 21 HOB; Preliminary Committee Action by Finance & Taxation: Favorable as a Committee Substitute
- 05/24/88 HOUSE Comm. Report: CS by Finance & Taxation -HJ 675; CS read first time -HJ 675, Now in Appropriations -HJ 675
- 05/26/88 HOUSE On Committee agenda—Appropriations, 05/26/88, 3:00 pm, Morris Hall—Not considered
- 05/27/88 HOUSE On Committee agenda—Appropriations, 05/30/88, 8:00 am, Morris Hall
- 05/30/88 HOUSE Preliminary Committee Action by Appropriations. Favorable; Comm. Report: Favorable by Appropriations, placed on Calendar -HJ 906
- 05/31/88 HOUSE Placed on Special Order Calendar
- 06/01/88 HOUSE Read second time -HJ 1103, Amendments adopted; Read third time; CS passed as amended, YEAS 111 NAYS 0 -HJ 1104
- 06/01/88 SENATE In Messages
- 06/07/88 SENATE Died in Messages, Iden./Sim./Compare Bill passed, refer to CS/SB 1326 (Ch 88-308)

H 1500 GENERAL BILL/ENG by Youth; Reddick

- Youth Conservation Corps, authorizes D.N.R. to delegate certain powers & duties to public or private not-for-profit agency under Fla Youth Conservation Corps Act of 1987, requires dept to provide, by rule, criteria for selecting applicants under act, creates Youth Conservation Corps Trust Fund in D.N.R.; directs dept. to promulgate rules for expenditures Amends 369.105. Effective Date: Upon becoming law
- 04/21/88 HOUSE Filed
- 04/25/88 HOUSE Introduced, placed on Calendar -HJ 248
- 05/10/88 HOUSE Placed on Special Order Calendar, Read second time -HJ 400
- 05/11/88 HOUSE Read third time, Amendments adopted, Passed as amended; YEAS 118 NAYS 0 -HJ 410
- 05/12/88 SENATE In Messages
- 05/17/88 SENATE Received, referred to Natural Resources and Conservation, Finance, Taxation and Claims -SJ 298
- 05/27/88 SENATE Extension of time granted Committee Natural Resources and Conservation

HISTORY OF SENATE BILLS

S 1335 (CONTINUED)

05/25/88 SENATE Considered by Rules and Calendar, placed on Local Calendar -SJ 375; Iden./Sim House Bill substituted; Laid on Table under Rule, Iden./Sim./Compare Bill passed, refer to HB 1088 (Vetoed by Governor-06/17/88) -SJ 394

S 1336 GENERAL BILL by Langley (Similar CS/H 1151, Compare ENG/H 1449)

Rural Water & Sewer District Act, creates said act; allows counties to exercise certain powers re rural water or sewer districts, including, but not limited to, fixing & collecting rates, fees, & other charges, provides for district governing boards; provides standards for & prerequisites to construction of water supply systems, water system improvements, sewage disposal systems, & sewer improvements; allows district governing board to issue water & sewer revenue bonds, etc. Effective Date: Upon becoming law.

04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Economic, Community and Consumer Affairs; Natural Resources and Conservation; Appropriations -SJ 173
 04/29/88 SENATE Extension of time granted Committee Economic, Community and Consumer Affairs
 05/13/88 SENATE Extension of time granted Committee Economic, Community and Consumer Affairs
 05/27/88 SENATE Extension of time granted Committee Economic, Community and Consumer Affairs
 06/07/88 SENATE Died in Committee on Economic, Community and Consumer Affairs, Iden./Sim./Compare bill passed, refer to HB 1449 (Vetoed by Governor-07/06/88)

S 1337 GENERAL BILL by Thomas (Similar H 842, S 1089)

F.R.S. Special Risk/Forensic Unit; includes state employees who provide care or treatment to patients in forensic unit of state hospital within Special Risk Class of system Amends 121 0515. Effective Date 10/01/88.

04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Personnel, Retirement and Collective Bargaining; Appropriations -SJ 173
 05/02/88 SENATE Extension of time granted Committee Personnel, Retirement and Collective Bargaining
 05/13/88 SENATE Extension of time granted Committee Personnel, Retirement and Collective Bargaining
 05/27/88 SENATE Extension of time granted Committee Personnel, Retirement and Collective Bargaining
 06/07/88 SENATE Died in Committee on Personnel, Retirement and Collective Bargaining

S 1338 GENERAL BILL by Beard (Similar S 1196)

Guaranteed Traffic Arrest Bonds, increases maximum amount of guaranteed traffic arrest bond certificate that automobile club or association may issue or that surety insurer may insure; increases maximum amount of such guaranteed traffic arrest bond certificate that is accepted as bail for certain traffic violations. Amends 627 768, 903.36. Effective Date: 07/06/88.

04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Commerce -SJ 174
 04/28/88 SENATE On Committee agenda—Commerce, 05/02/88, 2:00 pm, Room-A
 04/29/88 SENATE Extension of time granted Committee Commerce
 05/02/88 SENATE Comm. Report: Favorable by Commerce, placed on Calendar -SJ 228
 05/11/88 SENATE Placed on Special Order Calendar -SJ 267
 05/12/88 SENATE Placed on Special Order Calendar -SJ 267; Passed; YEAS 35 NAYS 0 -SJ 283
 05/17/88 HOUSE In Messages
 05/19/88 HOUSE Received, referred to Insurance -HJ 592
 05/25/88 HOUSE Withdrawn from Insurance -HJ 686; Placed on Calendar
 05/31/88 HOUSE Placed on Special Order Calendar
 06/01/88 HOUSE Retained on Regular Calendar
 06/03/88 HOUSE Read second time; Read third time; Passed, YEAS 118 NAYS 0 -HJ 1312
 06/03/88 Ordered enrolled -SJ 1008
 06/21/88 Signed by Officers and presented to Governor
 07/06/88 Approved by Governor; Chapter No. 88-309

S 1339 GENERAL BILL by Peterson

College of Agriculture/Univ of Fla.; requires Board of Regents to establish College of Agriculture at University of Fla. & redesignates Institute of Food & Agricultural Sciences as such college; provides for funds allocated to institute to be transferred to budget of such college; provides for certain retirement benefits to apply to cooperative extension personnel; provides for county extension offices & agricultural experiment stations to be grouped into regions, etc Amends F.S. Effective Date: Upon becoming law.

04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Education, Appropriations -SJ 174
 04/29/88 SENATE Extension of time granted Committee Education
 05/13/88 SENATE Extension of time granted Committee Education
 05/18/88 SENATE On Committee agenda—Education, 05/19/88, 9:15 am, Room-A -SJ 341
 05/19/88 SENATE Comm Report: Favorable by Education -SJ 358

S 1339 (CONTINUED)

05/20/88 SENATE Now in Appropriations -SJ 358
 06/07/88 SENATE Died in Committee on Appropriations

S 1340 GENERAL BILL/CS by Economic, Community and Consumer Affairs; Hollingsworth (Identical H 1537)

Veterans Home of Florida Act; creates said act; provides for maintenance & operation of state veterans home, provides that director of Veterans' Affairs Div. shall be director of home; provides for appointment of superintendent; provides eligibility of residents & priority of admittance, provides for member contribution to support, provides for disposition of money & property received or held by home; provides for audit, inspections, standards, etc. Creates Ch. 296 Effective Date: Upon becoming law

04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Economic, Community and Consumer Affairs; Appropriations -SJ 174
 04/29/88 SENATE Extension of time granted Committee Economic, Community and Consumer Affairs
 05/12/88 SENATE On Committee agenda—Economic, Community and Consumer Affairs, 05/16/88, 2 00 pm, Room-H
 05/13/88 SENATE Extension of time granted Committee Economic, Community and Consumer Affairs
 05/16/88 SENATE Comm. Report. CS by Economic, Community and Consumer Affairs -SJ 358
 05/19/88 SENATE CS read first time -SJ 361; Now in Appropriations -SJ 358
 06/07/88 SENATE Died in Committee on Appropriations

S 1341 RESOLUTION by Thomas

Graceville H.S. Basketball Team; commends Graceville High School Basketball Team for their outstanding accomplishments in winning first state championship in basketball for Graceville High School.

04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Rules and Calendar -SJ 174
 04/29/88 SENATE Extension of time granted Committee Rules and Calendar
 05/11/88 SENATE Withdrawn from Rules and Calendar; Adopted -SJ 266

S 1342 GENERAL BILL by Deratany (Identical H 1111)

Schools Bds./Capital Outlay Millage, authorizes district school boards to utilize proceeds from discretionary capital outlay millage to comply with state & federal environmental statutes & regulations Amends 236.25, 200.065 Effective Date: 07/01/88.

04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Education; Appropriations -SJ 174
 04/29/88 SENATE Extension of time granted Committee Education
 05/05/88 SENATE On Committee agenda—Education, 05/09/88, 2:00 pm, Room-H
 05/09/88 SENATE Comm Report. Favorable by Education -SJ 245
 05/10/88 SENATE Now in Appropriations -SJ 245
 05/19/88 SENATE Extension of time granted Committee Appropriations
 05/25/88 SENATE Withdrawn from Appropriations -SJ 392, Placed on Calendar
 05/31/88 SENATE Placed on Consent Calendar -SJ 549
 06/01/88 SENATE Placed on Consent Calendar -SJ 611; Passed; YEAS 37 NAYS 0 -SJ 710
 06/01/88 HOUSE In Messages
 06/02/88 HOUSE Received, referred to Appropriations -HJ 1280
 06/03/88 HOUSE Withdrawn from Appropriations -HJ 1317; Placed on Calendar
 06/07/88 HOUSE Read second time; Read third time; Passed; YEAS 118 NAYS 0 -HJ 1644
 06/07/88 Ordered enrolled -SJ 1272
 06/16/88 Signed by Officers and presented to Governor
 07/01/88 Approved by Governor; Chapter No. 88-223

S 1343 GENERAL BILL/CS by Appropriations; Hair (Similar CS/ENG/H 1497, Compare ENG/H 218, ENG/H 239, CS/ENG/S 150, S 1195)

Retirement/Contribution Rates; revises effective date of contribution rate increases re retiree health ins. subsidy; repeals language requiring benefit increases to be amortized over 15-year period; revises contribution rates applicable to members of Elected State Officers' Class, Senior Mgmt. Service Class, Regular Class, Special Risk Class, & Special Risk Administrative Support Class, & Institute of Food & Agric Science Supplemental Retirement Act, etc. Amends Chs. 121, 112. Effective Date. 10/01/88 except as otherwise provided.

04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Personnel, Retirement and Collective Bargaining; Appropriations -SJ 174
 04/29/88 SENATE On Committee agenda—Personnel, Retirement and Collective Bargaining, 05/03/88, 2:00 pm, Room-C
 05/02/88 SENATE Extension of time granted Committee Personnel, Retirement and Collective Bargaining
 05/03/88 SENATE Comm. Report: Favorable by Personnel, Retirement and Collective Bargaining -SJ 228
 05/04/88 SENATE Now in Appropriations -SJ 228
 05/19/88 SENATE Extension of time granted Committee Appropriations
 05/26/88 SENATE On Committee agenda—Appropriations, 05/27/88, 9:00 am, Room-A -SJ 430

HISTORY OF SENATE BILLS

S 1343 (CONTINUED)

- 05/27/88 SENATE Comm. Report. CS by Appropriations, placed on Calendar -SJ 549
 05/31/88 SENATE CS read first time -SJ 551
 06/01/88 SENATE Placed on Special Order Calendar -SJ 611 & -SJ 612; Iden./Sim House Bill substituted -SJ 682, Laid on Table under Rule. Iden./Sim./Compare Bill passed, refer to CS/HB 1497 (Ch. 88-382), HB 218 (Vetoed by Governor-07/06/88) & CS/SB 150 (Ch. 88-238) -SJ 693

S 1344 RESOLUTION by Grant (Similar H 1434)

- Marsicano Ralph A., expresses heartfelt appreciation to memory of Ralph A. Marsicano for exemplary public service selflessly given
 04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Rules and Calendar -SJ 174
 04/29/88 SENATE Extension of time granted Committee Rules and Calendar
 05/03/88 SENATE Withdrawn from Rules and Calendar -SJ 210, Adopted -SJ 211

S 1345 GENERAL BILL by Johnson and others

- Jane Bancroft Cook Library; names library at New College campus of University of South Florida in honor of Jane Bancroft Cook, provides for suitable markers. Effective Date: 04/28/88
 04/19/88 SENATE Filed, Introduced, referred to Rules and Calendar, Immediately withdrawn from Rules and Calendar; Passed; YEAS 38 NAYS 0 -SJ 129, Immediately certified -SJ 141
 04/19/88 HOUSE In Messages
 04/21/88 HOUSE Received, placed on Calendar -HJ 211
 04/25/88 HOUSE Placed on Special Order Calendar, Read second time; Read third time, Passed; YEAS 110 NAYS 2 -HJ 244, Immediately certified -HJ 244
 04/25/88 Ordered enrolled -SJ 182
 04/27/88 Signed by Officers and presented to Governor -SJ 208
 04/28/88 Approved by Governor, Chapter No. 88-425 -SJ 268

S 1346 GENERAL BILL by Margolis (Similar CS/H 623)

- Worksite Safety/High Voltage Lines; provides definitions, provides requirements, restrictions, & prohibitions; requires posting of warning signs & other safety measures re high-voltage overhead lines; provides safety restrictions re activity near overhead lines, provides for clearance arrangements, provides procedure, provides for payment for necessary arrangements re lines, provides penalties for violation of act; provides for damages & exemptions. Effective Date: 01/01/89.
 04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Judiciary-Civil, Economic, Community and Consumer Affairs -SJ 174
 04/29/88 SENATE Extension of time granted Committee Judiciary-Civil
 05/03/88 SENATE On Committee agenda—Judiciary-Civil, 05/04/88, 9:00 am, Room-B—Temporarily postponed -SJ 211
 05/05/88 SENATE On Committee agenda—Judiciary-Civil, 05/09/88, 2:00 pm, Room-B—Temporarily postponed
 05/13/88 SENATE Extension of time granted Committee Judiciary-Civil
 05/18/88 SENATE On Committee agenda—Judiciary-Civil, 05/19/88, 9:15 am, Room-B—Motion to reconsider -SJ 341
 05/19/88 SENATE On Committee agenda—Judiciary-Civil, 05/24/88, 9:00 am, Room-B—Temporarily postponed
 05/27/88 SENATE Extension of time granted Committee Judiciary-Civil
 06/07/88 SENATE Died in Committee on Judiciary-Civil

S 1347 RESOLUTION by Vogt

- Sun Day; recognizes May 1, 1988, as Sun Day & urges all citizens of state to explore use of solar energy as vital energy resource for state & nation
 04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Rules and Calendar -SJ 174
 04/28/88 SENATE Withdrawn from Rules and Calendar; Adopted -SJ 193

S 1348 GENERAL BILL/CS by Agriculture; Thurman (Identical ENG/H 1549, Compare CS/ENG/S 1326)

- Viticulture/Research; establishes, for limited period, Viticulture Trust Fund within Agriculture & Consumer Services Dept., specifies uses of moneys in trust fund; provides continuing appropriation of moneys in trust fund to dept. for specified uses, provides for deposit, into Viticulture Trust Fund during limited period, of specified percentage of revenues collected from excise taxes on wines produced by Fla. manufacturers. Creates 599.012, amends 561 12, 564.06. Effective Date: 07/01/88 or upon becoming law, whichever occurs later.
 04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Agriculture, Commerce, Finance, Taxation and Claims; Appropriations -SJ 174
 04/29/88 SENATE Extension of time granted Committee Agriculture, On Committee agenda—Agriculture, 05/03/88, 2:00 pm, Room-B
 05/03/88 SENATE Comm. Report: CS by Agriculture -SJ 229
 05/04/88 SENATE CS read first time -SJ 233; Now in Commerce -SJ 229
 05/13/88 SENATE Extension of time granted Committee Commerce
 05/25/88 SENATE Withdrawn from Commerce -SJ 402, Now in Finance, Taxation and Claims
 05/27/88 SENATE Extension of time granted Committee Finance, Taxation and Claims

S 1348 (CONTINUED)

- 06/02/88 SENATE Withdrawn from Finance, Taxation and Claims -SJ 716; Now in Appropriations
 06/03/88 SENATE Placed on Special Order Calendar (pending in Appropriations) -SJ 866
 06/07/88 SENATE Died in Committee on Appropriations, Iden./Sim./Compare bill passed, refer to CS/SB 1326 (Ch. 88-308)

S 1349 GENERAL BILL/CS by Natural Resources and Conservation; Brown (Compare CS/CS/ENG/H 118, H 1715, S 1378)

- Beach Access Act; creates said act; provides for use of public beaches; prohibits obstructions to public beach access; provides for suits to remove obstructions & signs; provides for beach access inventories & access points; includes acquisition of sites for public beach access & access to public beach facilities for handicapped persons within list of authorized uses of revenue under tourist development tax, etc. Amends F.S. Effective Date: 10/01/88.
 04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Natural Resources and Conservation, Finance, Taxation and Claims, Appropriations -SJ 174
 04/29/88 SENATE Extension of time granted Committee Natural Resources and Conservation
 05/13/88 SENATE Extension of time granted Committee Natural Resources and Conservation
 05/20/88 SENATE On Committee agenda—Natural Resources and Conservation, 05/24/88, 9:00 am, Room-H
 05/24/88 SENATE Comm. Report. CS by Natural Resources and Conservation -SJ 426
 05/26/88 SENATE CS read first time -SJ 430; Now in Finance, Taxation and Claims -SJ 426
 05/27/88 SENATE Extension of time granted Committee Finance, Taxation and Claims
 06/07/88 SENATE Died in Committee on Finance, Taxation and Claims, Iden./Sim./Compare bill passed, refer to CS/CS/HB 118 (Ch. 88-106)

S 1350 GENERAL BILL/CS by Health and Rehabilitative Services; Woodson (Compare CS/ENG/H 614, H 1545)

- Future of Florida Family Task Force; creates said task force to study current laws relating thereto; provides for membership, duties, & operations of task force, provides for appointment of advisory persons & groups; provides for utilization of staff & resources of Governor's Office & other executive agencies & for cooperation & consultation with legislative staff; provides for repeal Appropriation: \$25,000 Effective Date: 12/01/88
 04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Health and Rehabilitative Services; Governmental Operations; Rules and Calendar, Appropriations -SJ 175
 04/29/88 SENATE Extension of time granted Committee Health and Rehabilitative Services
 05/13/88 SENATE On Committee agenda—Health and Rehabilitative Services, 05/17/88, 2:00 pm, Room-A, Extension of time granted Committee Health and Rehabilitative Services
 05/17/88 SENATE Comm Report: CS by Health and Rehabilitative Services -SJ 352
 05/19/88 SENATE CS read first time -SJ 354, Now in Governmental Operations -SJ 352
 05/27/88 SENATE Extension of time granted Committee Governmental Operations
 05/30/88 SENATE Withdrawn from Governmental Operations -SJ 546; Now in Rules and Calendar
 06/01/88 SENATE Withdrawn from Rules and Calendar -SJ 713, Now in Appropriations
 06/03/88 SENATE Withdrawn from Appropriations -SJ 894; Placed on Special Order Calendar -SJ 866 & -SJ 924
 06/06/88 SENATE Placed on Special Order Calendar -SJ 1010; Amendments adopted -SJ 1040, Iden./Sim. House Bill substituted -SJ 1041, Laid on Table under Rule, Iden./Sim./Compare Bill passed, refer to CS/HB 614 (Ch. 88-337) -SJ 1067

S 1351 GENERAL BILL by Dudley (Identical CS/H 457, Compare CS/S 849)

- Local Occupational License Taxes; (THIS BILL COMBINED IN CS/S 849,1351) extends to all counties authority to levy additional occupational license tax for implementation of comprehensive economic development strategy Amends 205.033 Effective Date 07/01/88 or upon becoming law, whichever occurs later.
 04/21/88 SENATE Filed
 04/26/88 SENATE Introduced, referred to Economic, Community and Consumer Affairs, Finance, Taxation and Claims -SJ 175
 04/29/88 SENATE Extension of time granted Committee Economic, Community and Consumer Affairs
 05/05/88 SENATE On Committee agenda—Economic, Community and Consumer Affairs, 05/06/88, 12:00 noon, Room-H -SJ 233, CS combines this bill and 849, Comm Report: CS by Economic, Community and Consumer Affairs -SJ 246
 05/10/88 SENATE Original bill laid on Table under Rule, refer to combined CS/ SB 849 (Failed to pass House) -SJ 248

HISTORY OF HOUSE BILLS

H 145 GENERAL BILL by Gutman and others

Motor Vehicles/Safety Air Bags, requires manufacturers selling or offering certain motor vehicles for sale in this state to offer, as an option to purchase, front seat safety air bags; provides penalties. Creates 320.6965. Effective Date: 10/01/88

01/07/88 HOUSE Prefiled
 01/11/88 HOUSE Referred to Commerce; Appropriations
 02/11/88 HOUSE Subreferred to Subcommittee on General Commerce
 02/12/88 HOUSE On subcommittee agenda—Commerce, 03/02/88, 1:00 pm, 317C—Temporarily passed
 04/05/88 HOUSE Introduced, referred to Commerce; Appropriations—HJ 19; Subreferred to Subcommittee on General Commerce
 04/14/88 HOUSE On Committee agenda—Commerce, 04/18/88, 1:15 pm, 317C—For ratification of subreferral
 06/07/88 HOUSE Died in Committee on Commerce

H 146 GENERAL BILL/CS by Transportation; Simone; Holland; Clements; Jennings and others (Similar ENG/S 32)

Trooper Jeffrey Dale Young Bridge, designates bridge on State Road No. 93, Interstate Highway 75, that spans Manatee River as "Trooper Jeffrey Dale Young Memorial Bridge". Effective Date Upon becoming law.

01/07/88 HOUSE Prefiled
 01/11/88 HOUSE Referred to Transportation
 01/29/88 HOUSE Subreferred to Subcommittee on Transportation Facilities and Services
 02/15/88 HOUSE On subcommittee agenda—Transportation, 03/01/88, 9:00 am, 214C
 03/01/88 HOUSE Subcommittee Recommendation pending ratification by full Committee: Favorable with 1 amendment; On Committee agenda, pending subcommittee action—Transportation, 03/08/88, 9:00 am, 214C
 03/08/88 HOUSE Preliminary Committee Action by Transportation Favorable as a Committee Substitute
 03/10/88 HOUSE Comm. Report. CS by Transportation, placed on Calendar
 04/05/88 HOUSE Introduced, referred to Transportation—HJ 19, Subreferred to Subcommittee on Transportation Facilities and Services, Subcommittee Recommendation pending ratification by full Committee. Favorable with 1 amendment; Preliminary Committee Action by Transportation: Favorable as a Committee Substitute; Comm. Report: CS by Transportation, placed on Calendar—HJ 79; CS read first time—HJ 78
 04/12/88 HOUSE Placed on Special Order Calendar, Read second time—HJ 110, Withdrawn from further cons., Iden/Sim/Compare Bill passed, refer to SB 32 (Ch. 88-427)—HJ 114

H 147 GENERAL BILL by Clements and others

Ad Val Tax/Widows Blind & Disabled, increases exemption for property of widows, blind persons, & disabled persons, provides applicability. Amends 196.202. Effective Date: Upon becoming law.

01/07/88 HOUSE Prefiled
 01/11/88 HOUSE Referred to Finance & Taxation, Appropriations
 04/05/88 HOUSE Introduced, referred to Finance & Taxation; Appropriations—HJ 19
 05/09/88 HOUSE On Committee agenda—Finance & Taxation, 05/11/88, 1:30 pm, 21-HOB—For subreferral only
 06/07/88 HOUSE Died in Committee on Finance & Taxation

H 148 GENERAL BILL/CS/CS/ENG by Appropriations; Retirement, Personnel & Collective Bargaining; Bloom; Langton; Mills; Locke; Clements; Martinez; Silver; Patchett; Kelly; Jamerson; Lippman; Shelley; Thomas; Clark; Rochlin; Morse; Frankel; Mortham; Arnold; Garcia; Metcalf; Brown; Trammell; Canady; Tobiassen; Press; Casas; Simon; Banjanin; Souto; Troxler; Deutsch; King; Lawson; Ireland; Guber; Lombard; Starks; Rush; Irvine; Bankhead; Diaz-Balart; Friedman; Meffert; Gonzalez-Quevedo; Goode; Abrams; Tobin; Hodges; Rehm; Martin; Gutman; Young; Dunbar; Messersmith; Gustafson; Jennings; Peeples; Logan; Ostrau; Renke; Burns; Woodruff; Wallace; D.L. Jones; Frishe; Gilckman; Holland; Grindle; Gardner; Mackenzie; Titone; Liberti; Healey; Hargrett; Figg; Davis; Sanderson; Bainter; Cosgrove; Gordon and others (Compare CS/ENG/H 1497, CS/ENG/S 150)

F.R.S./Sr Mgt. Service/Special Risk, provides that certain employees may be members of Senior Management Service Class, increases rate of employer contributions re members of special risk class of F.R.S., increases monthly retirement benefit re special risk service. Amends 121.055, .071, 091. Effective Date: 01/01/89.

01/07/88 HOUSE Prefiled
 01/11/88 HOUSE Referred to Retirement, Personnel & Collective Bargaining; Appropriations
 02/11/88 HOUSE Subreferred to Subcommittee on Retirement, On subcommittee agenda—Retirement, Personnel & Collective Bargaining, 03/01/88, 2:00 pm, 317C

H 148 (CONTINUED)

03/01/88 HOUSE Subcommittee Recommendation pending ratification by full Committee. Favorable with 1 amendment, On Committee agenda, pending subcommittee action—Retirement, Personnel & Collective Bargaining, 03/08/88, 2:00 pm, 317C
 03/08/88 HOUSE Preliminary Committee Action by Retirement, Personnel & Collective Bargaining: Favorable as a Committee Substitute
 04/05/88 HOUSE Introduced, referred to Retirement, Personnel & Collective Bargaining, Appropriations—HJ 20; Subreferred to Subcommittee on Retirement; Subcommittee Recommendation pending ratification by full Committee: Favorable with 1 amendment; Preliminary Committee Action by Retirement, Personnel & Collective Bargaining: Favorable as a Committee Substitute, Comm. Report: CS by Retirement, Personnel & Collective Bargaining—HJ 79, CS read first time—HJ 78, Now in Appropriations—HJ 79
 05/03/88 HOUSE On Committee agenda—Appropriations, 05/05/88, 3:30 pm, Morris Hall
 05/10/88 HOUSE Comm. Report. CS/CS by Appropriations, placed on Calendar—HJ 403, CS read first time—HJ 402
 05/11/88 HOUSE Placed on Special Order Calendar; Read second time; Amendments adopted—HJ 414
 05/12/88 HOUSE Read third time; Amendment adopted; CS passed as amended; YEAS 98 NAYS 14—HJ 454
 05/16/88 SENATE In Messages
 05/18/88 SENATE Received, referred to Personnel, Retirement and Collective Bargaining, Appropriations—SJ 314
 05/27/88 SENATE Extension of time granted Committee Personnel, Retirement and Collective Bargaining
 06/07/88 SENATE Died in Committee on Personnel, Retirement and Collective Bargaining, Iden./Sim./Compare bill passed, refer to CS/SB 150 (Ch. 88-238) & CS/HB 1497 (Ch. 88-382)

H 149 GENERAL BILL by Long and others (Identical S 139)

Educational Personnel/Assessment; revises assessment procedure requirements re performance of educational personnel. Amends 231.29. Effective Date: 07/01/88 or upon becoming law, whichever occurs later.

01/07/88 HOUSE Prefiled
 01/11/88 HOUSE Referred to Education, K - 12
 04/05/88 HOUSE Introduced, referred to Education, K - 12—HJ 20
 04/11/88 HOUSE Subreferred to Subcommittee on Administration and Finance, On Committee agenda—Education, K - 12, 04/13/88, 3:30 pm, 214C—For ratification of subreferral
 06/07/88 HOUSE Died in Committee on Education, K - 12

H 150 RESOLUTION by Clark

New Golden Heights Church of Christ, commends New Golden Heights Church of Christ of Ft. Lauderdale for its contribution to community.

01/07/88 HOUSE Prefiled
 01/11/88 HOUSE Referred to Community Affairs
 04/05/88 HOUSE Introduced, referred to Community Affairs—HJ 20; On Committee agenda—Community Affairs, 04/06/88, 8:00 am, 212-HOB—Temporarily passed
 04/12/88 HOUSE On Committee agenda—Community Affairs, 04/14/88, 3:30 pm, 212-HOB
 04/14/88 HOUSE Preliminary Committee Action by Community Affairs. Favorable
 04/19/88 HOUSE Comm. Report. Favorable by Community Affairs, placed on Calendar—HJ 208
 04/25/88 HOUSE Read second time; Adopted.—HJ 246

H 151

04/05/88 HOUSE Withdrawn—HJ 20

H 152 GENERAL BILL by Casas; Morse (Similar CS/S 95, Compare CS/H 124, ENG/S 173)

Motor Vehicle Towing/Authority; (THIS BILL COMBINED IN CS/H 124, 152, 317) requires tow truck operators to obtain certificate of authority; provides for application & renewal fees, provides for denial, suspension, or revocation; provides for authorization for tow truck operators licensed in other states, provides for recordkeeping, provides penalty, etc. Creates 320.901-910. Effective Date: 10/01/88

01/07/88 HOUSE Prefiled
 01/11/88 HOUSE Referred to Community Affairs, Finance & Taxation; Appropriations
 01/15/88 HOUSE On Committee agenda—Community Affairs, 02/03/88, 8:00 am, 212-HOB—For ratification of subreferral
 02/03/88 HOUSE Subreferred to Subcommittee on Oversight
 04/05/88 HOUSE Introduced, referred to Community Affairs, Finance & Taxation, Appropriations—HJ 20, Subreferred to Subcommittee on Oversight
 04/21/88 HOUSE On subcommittee agenda—Community Affairs, 04/25/88, 3:30 pm, 212-HOB

HISTORY OF HOUSE BILLS

H 211 (CONTINUED)

- 04/05/88 HOUSE Introduced, referred to Finance & Taxation; Appropriations -HJ 25
- 04/12/88 HOUSE Withdrawn from Finance & Taxation -HJ 110; Now in Appropriations -HJ 110
- 04/19/88 HOUSE Withdrawn from Appropriations -HJ 187; Placed on Calendar
- 04/25/88 HOUSE Placed on Special Order Calendar
- 04/26/88 HOUSE Read second time -HJ 255
- 04/28/88 HOUSE Read third time, Passed, YEAS 109 NAYS 0 -HJ 270
- 05/03/88 SENATE In Messages
- 05/10/88 SENATE Received, referred to Governmental Operations -SJ 253
- 05/13/88 SENATE Extension of time granted Committee Governmental Operations
- 05/27/88 SENATE Extension of time granted Committee Governmental Operations
- 06/07/88 SENATE Died in Committee on Governmental Operations

H 212 GENERAL BILL/ENG by Regulatory Reform; Brown (Similar S 132)

- Medical Advisory Board; (SUNDOWN) amends provision to increase membership of Medical Advisory Board, revise eligibility requirements for appointment to board, & to redesignate member that serves as chairman of board; provides for future review & repeal, etc. Amends/revives/readopts 322.125. Effective Date: 10/01/88.
- 01/29/88 HOUSE Prefiled
- 02/11/88 HOUSE Placed on Calendar
- 04/05/88 HOUSE Introduced, placed on Calendar -HJ 25
- 04/13/88 HOUSE Placed on Special Order Calendar; Read second time -HJ 165
- 04/19/88 HOUSE Read third time, Amendments adopted, Passed as amended, YEAS 117 NAYS 0 -HJ 190, Immediately certified -HJ 191
- 04/19/88 SENATE In Messages
- 04/21/88 SENATE Received, referred to Transportation -SJ 163
- 04/29/88 SENATE Extension of time granted Committee Transportation
- 05/02/88 SENATE On Committee agenda—Transportation, 05/04/88, 9:00 am, Room-C
- 05/04/88 SENATE Comm. Report. Favorable with 2 amendment(s) by Transportation, placed on Calendar -SJ 228
- 05/11/88 SENATE Placed on Special Order Calendar -SJ 267; Passed as amended; YEAS 32 NAYS 0 -SJ 269
- 05/12/88 HOUSE In Messages
- 05/16/88 HOUSE Amendment to Senate amendment adopted; Concurred in Senate amendment as amended; Concurred in one amendment; Passed as amended; YEAS 99 NAYS 0 -HJ 475
- 05/17/88 SENATE In Messages
- 05/25/88 SENATE Concurred, Passed as amended, YEAS 37 NAYS 0 -SJ 384
- 05/25/88 Ordered engrossed, then enrolled
- 06/02/88 Signed by Officers and presented to Governor -HJ 1281
- 06/16/88 Approved by Governor, Chapter No. 88-107

H 213 GENERAL BILL by Regulatory Reform; Gordon; Lippman (Identical ENG/S 171)

- Motion Picture TV & Record Industry; (SUNDOWN) provides for appointment of lay person to Motion Picture, Television, & Recording Industry Advisory Council of Economic Development Division of Commerce Dept.; provides that council shall be representative of industry & shall promote use of Fla. for motion picture production as well as for location shooting; provides for future review & repeal, etc. Amends/revives/readopts 20 17(3). Effective Date 10/01/88
- 01/29/88 HOUSE Prefiled
- 02/11/88 HOUSE Placed on Calendar
- 04/05/88 HOUSE Introduced, placed on Calendar -HJ 25
- 04/12/88 HOUSE Placed on Special Order Calendar; Read second time -HJ 111
- 04/13/88 HOUSE Read third time, Iden./Sim. Senate Bill substituted, Laid on Table under Rule, Iden./Sim./Compare Bill passed, refer to SB 171 (Ch. 88-17) -HJ 160

H 214 GENERAL BILL by Regulatory Reform; Brown; Mortham (Similar ENG/S 56)

- Governor's Mansion Commission, (SUNDOWN) deletes obsolete provisions; provides staggered terms for commission members; designates Fla. Room as state room of Governor's Mansion; provides for adoption of rules by commission for property loans; provides for future review & repeal, etc. Amends/revives/readopts 272 18 Effective Date 10/01/88
- 01/29/88 HOUSE Prefiled
- 02/11/88 HOUSE Placed on Calendar
- 04/05/88 HOUSE Introduced, placed on Calendar -HJ 25
- 04/13/88 HOUSE Placed on Special Order Calendar, Read second time -HJ 165
- 04/19/88 HOUSE Read third time -HJ 191, Iden./Sim. Senate Bill substituted; Laid on Table under Rule, Iden./Sim./Compare Bill passed, refer to SB 56 (Ch. 88-15) -HJ 191

H 215 GENERAL BILL by Regulatory Reform; Gordon; Lippman (Similar S 165)

- Economic Development Advs. Council, (SUNDOWN) requires appointment of

H 215 (CONTINUED)

- members by Secretary of Commerce, removes obsolete language, provides for council meetings & election of chairman & vice chairman; provides for reimbursement of expenses, provides for future review & repeal. Amends/revives/readopts 20.17(4) Effective Date: 10/01/88
- 01/29/88 HOUSE Prefiled
- 02/11/88 HOUSE Placed on Calendar
- 04/05/88 HOUSE Introduced, placed on Calendar -HJ 25
- 04/12/88 HOUSE Placed on Special Order Calendar; Read second time -HJ 111
- 04/13/88 HOUSE Read third time, Iden./Sim. Senate Bill substituted, Laid on Table under Rule, Iden./Sim./Compare Bill passed, refer to SB 165 (Ch. 88-12) -HJ 161

H 216 GENERAL BILL by Regulatory Reform; Harris (Similar ENG/H 1471, CS/S 165, S 339)

- Aquaculture Advisory Council; (SUNDOWN) clarifies duties of Agriculture & Consumer Services Dept.; amends provision re Aquaculture Review Council; modifies nomination, appointment, & terms of members; changes name of Aquaculture Interagency Coordinating Board; provides procedures & responsibilities, provides for future review & repeal, etc. Amends 597.003; amends/revives/readopts 597.005, 006 Effective Date: 10/01/88.
- 01/29/88 HOUSE Prefiled
- 02/11/88 HOUSE Placed on Calendar
- 04/04/88 HOUSE Withdrawn from Calendar, referred to Natural Resources
- 04/05/88 HOUSE Introduced, referred to Natural Resources -HJ 25
- 06/07/88 HOUSE Died in Committee on Natural Resources, Iden./Sim./Compare bill passed, refer to HB 1471 (Ch. 88-377)

H 217 GENERAL BILL by Regulatory Reform; Lippman; D.L. Jones; Kelly (Similar H 11-E, Compare H 131, CS/H 498, CS/CS/ENG/H 819, H 1-E, H 3-E, H 6-E, CS/ENG/H 7-E, CS/S 89, CS/S 879, CS/ENG/S 1078, S 3-E, CS/ENG/S 6-E, S 9-E)

- Medical Practice; provides access to confidential patient records for certain proceedings of Professional Regulation Dept.; provides for dept. review & investigation of incidents which may involve conduct subject to discipline, provides for reports in lieu of certain psychiatric-patient records, requires physicians, osteopathic physicians, podiatrists & dentists to report professional liability claims & actions to dept., etc. Amends F.S. Effective Date Upon becoming law except as otherwise provided.
- 01/29/88 HOUSE Prefiled
- 02/11/88 HOUSE Referred to Finance & Taxation, Appropriations
- 04/05/88 HOUSE Introduced, referred to Finance & Taxation, Appropriations -HJ 26
- 05/09/88 HOUSE On Committee agenda—Finance & Taxation, 05/11/88, 1:30 pm, 21-HOB—For subreferral only
- 06/07/88 HOUSE Died in Committee on Finance & Taxation, Iden./Sim./Compare bill passed, refer to CS/SB 1076 (Ch. 88-208) & CS/CS/HB 819 (Ch. 88-277)

H 218 GENERAL BILL/ENG by Retirement, Personnel & Collective Bargaining; Martinez and others (Compare CS/ENG/H 1497, S 1195, CS/S 1343)

- Retirement; provides clarifying language to provide that death benefits are provided to state attorney investigators, revises formula for cost-of-living adjustments to minimum benefit adjustment, permits former members of Highway Patrol Pension System to receive special risk credit for prior service, deletes 12 continuous month reemployment provision for prior service, provides retroactivity, etc. Amends 112 1904, 362, Ch. 121. Effective Date: 10/01/88 except as otherwise provided.
- 01/29/88 HOUSE Prefiled
- 02/11/88 HOUSE Referred to Finance & Taxation, Appropriations
- 04/05/88 HOUSE Introduced, referred to Finance & Taxation; Appropriations -HJ 26
- 04/12/88 HOUSE Withdrawn from Finance & Taxation -HJ 110, Now in Appropriations -HJ 110
- 05/03/88 HOUSE On Committee agenda—Appropriations, 05/05/88, 3:30 pm, Morris Hall
- 05/06/88 HOUSE On Committee agenda—Appropriations, 05/10/88, 1:15 pm, Morris Hall
- 05/10/88 HOUSE Preliminary Committee Action by Appropriations. Favorable with 6 amendments
- 05/11/88 HOUSE Comm. Report. Favorable with 6 amendment(s) by Appropriations, placed on Calendar -HJ 460
- 05/19/88 HOUSE Placed on Special Order Calendar; Read second time, Amendments adopted, Read third time; Passed as amended, YEAS 113 NAYS 0 -HJ 617; Immediately certified -HJ 617
- 05/19/88 SENATE In Messages
- 05/23/88 SENATE Received, referred to Personnel, Retirement and Collective Bargaining, Appropriations -SJ 364; On Committee agenda—Personnel, Retirement and Collective Bargaining, 05/23/88, 2:00 pm, Room-C—Cancelled
- 05/27/88 SENATE Extension of time granted Committee Personnel, Retirement and Collective Bargaining

HISTORY OF HOUSE BILLS

H 218 (CONTINUED)

05/31/88 SENATE Withdrawn from Personnel, Retirement and Collective Bargaining; Appropriations, Substituted for SB 1195, Passed, YEAS 29 NAYS 0 -SJ 590
 05/31/88 Ordered enrolled
 06/21/88 Signed by Officers and presented to Governor
 07/06/88 Vetoed by Governor; refer to CS/HB 1497 (Ch. 88-382)

H 219 GENERAL BILL by Clements and others (Compare CS/S 17)

Per Diem & Subsistence/Increased, provides increase in state per diem & subsistence allowance. Amends 112.061. Effective Date Upon becoming law
 02/01/88 HOUSE Prefiled
 02/11/88 HOUSE Referred to Finance & Taxation; Appropriations
 04/05/88 HOUSE Introduced, referred to Finance & Taxation; Appropriations -HJ 26
 04/25/88 HOUSE Withdrawn from Finance & Taxation -HJ 243; Now in Appropriations -HJ 243
 06/07/88 HOUSE Died in Committee on Appropriations

H 220 GENERAL BILL/CS by Commerce; Youth; Reddick; Davis; Press; Healey; Bloom; Mortham; Crotty; Brown; Wallace; Hill and others (Similar H 85, CS/ENG/S 286, Compare CS/ENG/H 614)

Child Care Partnership Act; (THIS BILL COMBINED IN CS/H 614,103, CS/220&85,CS/549,CS/1435,1515,1518, 1545,1546) creates said act, provides legislative intent, authorizes grant program for private employers that contribute to cost of child care for their employees' dependents; limits grant that may be received; requires maintenance of records, extends time period for loan program under Child Care Facility Trust Fund, etc. Amends 402.3195. Effective Date: 07/01/88 or upon becoming law, whichever occurs later.
 02/01/88 HOUSE Prefiled
 02/11/88 HOUSE Referred to Commerce, Finance & Taxation; Appropriations
 04/05/88 HOUSE Introduced, referred to Commerce, Finance & Taxation; Appropriations -HJ 26
 04/14/88 HOUSE On Committee agenda—Commerce, 04/18/88, 1:15 pm, 317C—For ratification of subreferral, On Committee agenda—Commerce, 04/18/88, 1 15 pm, 317C—Referred to subcommittee
 04/18/88 HOUSE On subcommittee agenda—Commerce, 04/20/88, 10:00 am, 217-HOB
 04/20/88 HOUSE Subcommittee Recommendation pending ratification by full Committee. Favorable as a proposed Committee Substitute, combined with HB 85
 04/25/88 HOUSE On Committee agenda—Commerce, 04/27/88, 8 00 am, 317C
 04/27/88 HOUSE Preliminary Committee Action by Commerce Favorable as a Committee Substitute, combined with HB 85
 04/28/88 HOUSE CS combines this bill and 85, Comm. Report. CS by Commerce -HJ 291, CS read first time -HJ 289, Now in Finance & Taxation -HJ 291, Withdrawn from Finance & Taxation -HJ 279, Now in Appropriations -HJ 279; On Committee agenda—Appropriations, 04/28/88, 3:30 pm, Morris Hall
 05/09/88 HOUSE CS combines this bill and 614, 103, CS 549, CS 1435, 1515, 1518, 1545 & 1546; Comm. Report: CS by Appropriations -HJ 383; Original bill laid on Table under Rule, refer to combined CS/ HB 614 (Ch 88-337) -HJ 383

H 221 GENERAL BILL by Rudd and others (Identical S 438)

Blind Vending Facility Operators, provides that participation in State Group Insurance Program shall be available for blind vending facility operators of Blind Services Division; prohibits state contributions for premiums. Amends 110.123. Effective Date: 10/01/88.
 02/01/88 HOUSE Prefiled
 02/11/88 HOUSE Referred to Insurance; Appropriations
 04/05/88 HOUSE Introduced, referred to Insurance; Appropriations -HJ 26
 04/12/88 HOUSE On Committee agenda—Insurance, 04/14/88, 8:00 am, 317C—For ratification of subreferral
 04/22/88 HOUSE Subreferred to Subcommittee on Health and Life Insurance and General Insurance Regulation; On subcommittee agenda—Insurance, 04/26/88, 3:30 pm, 317-HOB
 04/26/88 HOUSE Subcommittee Recommendation pending ratification by full Committee: Favorable
 05/03/88 HOUSE On Committee agenda—Insurance, 05/05/88, 1:15 pm, 317C
 05/05/88 HOUSE Preliminary Committee Action by Insurance. Favorable
 05/06/88 HOUSE Comm. Report Favorable by Insurance -HJ 365, Now in Appropriations -HJ 365
 05/17/88 HOUSE On Committee agenda—Appropriations, 05/19/88, 1:15 pm, Morris Hall
 05/19/88 HOUSE Preliminary Committee Action by Appropriations Favorable
 05/20/88 HOUSE Comm Report Favorable by Appropriations, placed on Calendar -HJ 633
 06/07/88 HOUSE Died on Calendar

H 222 GENERAL BILL/CS by Higher Education; Martin; Liberti and others
Performing Arts/Jon Mills Center, names center located on University of Florida

H 222 (CONTINUED)

campus & theater within such center as "Jon Mills Center" & "Sante Fe Community College Performing Arts Theater", respectively; directs Board of Regents to erect suitable markers Effective Date Upon becoming law
 02/01/88 HOUSE Prefiled
 02/11/88 HOUSE Placed on Calendar
 02/15/88 HOUSE Withdrawn from Calendar, referred to Higher Education
 04/05/88 HOUSE Introduced, referred to Higher Education -HJ 26; On Committee agenda—Higher Education, 04/06/88, 1:15 pm, 212-HOB—For subreferral
 04/06/88 HOUSE Subreferred to Subcommittee on Administration and Finance
 04/07/88 HOUSE On subcommittee agenda—Higher Education, 04/11/88, 1:15 pm, 212-HOB
 04/11/88 HOUSE Subcommittee Recommendation pending ratification by full Committee: Favorable with 2 amendments; On Committee agenda—Higher Education, 04/13/88, 3:30 pm, 212-HOB
 04/13/88 HOUSE Preliminary Committee Action by Higher Education: Favorable as a Committee Substitute
 04/18/88 HOUSE Comm Report. CS by Higher Education, placed on Calendar -HJ 185; CS read first time -HJ 183
 05/09/88 HOUSE Placed on Special Order Calendar, Retained on Regular Calendar
 06/07/88 HOUSE Died on Calendar

H 223 GENERAL BILL by Hawkins (Compare H 519)

Elections/Executive Comm Members, provides technical changes to conform date of election of state & county executive committee members. Amends 101 141,252. Effective Date. Upon becoming law
 02/01/88 HOUSE Prefiled
 02/11/88 HOUSE Referred to Ethics & Elections
 02/19/88 HOUSE On Committee agenda—Ethics & Elections, 03/01/88, 1:00 pm, 212-HOB
 03/01/88 HOUSE Preliminary Committee Action by Ethics & Elections Favorable
 03/03/88 HOUSE Comm. Report: Favorable by Ethics & Elections, placed on Calendar
 04/05/88 HOUSE Introduced, referred to Ethics & Elections -HJ 26, Preliminary Committee Action by Ethics & Elections. Favorable; Comm. Report: Favorable by Ethics & Elections, placed on Calendar -HJ 79
 04/21/88 HOUSE Placed on Special Order Calendar, Read second time -HJ 224
 04/25/88 HOUSE Read third time; Passed, YEAS 112 NAYS 1 -HJ 240
 04/26/88 SENATE In Messages
 05/03/88 SENATE Received, referred to Judiciary-Civil -SJ 219
 05/13/88 SENATE Extension of time granted Committee Judiciary-Civil
 05/27/88 SENATE Extension of time granted Committee Judiciary-Civil
 06/07/88 SENATE Died in Committee on Judiciary-Civil

H 224 GENERAL BILL by Simone; Dunbar and others (Compare S 188)

Membership Campground Act; creates said act; requires contracts for purchase of right to use campgrounds & facilities pursuant to membership camping plan; provides for filing membership camping contracts & for filing affidavit concerning occupancy level for campgrounds; provides circumstances under which an offeror may terminate or relocate campgrounds; provides for regulation by Land Sales, Condominiums, & Mobile Homes Div., etc. Creates 722.01-.17. Appropriation: \$150,000. Effective Date: 07/01/88 or upon becoming law, whichever occurs later.
 02/01/88 HOUSE Prefiled
 02/11/88 HOUSE Referred to Judiciary; Finance & Taxation, Appropriations
 04/01/88 HOUSE Subreferred to Subcommittee on Real Property and Family Law
 04/05/88 HOUSE Introduced, referred to Judiciary; Finance & Taxation; Appropriations -HJ 26; Subreferred to Subcommittee on Real Property and Family Law; On subcommittee agenda—Judiciary, 04/06/88, 8:00 am, 214C
 04/06/88 HOUSE Subcommittee Recommendation pending ratification by full Committee: Favorable, On Committee agenda, pending subcommittee action—Judiciary, 04/07/88, 10:00 am, 214C
 04/07/88 HOUSE Preliminary Committee Action by Judiciary: Favorable
 04/11/88 HOUSE Comm. Report: Favorable by Judiciary -HJ 134, Now in Finance & Taxation -HJ 134
 05/09/88 HOUSE On Committee agenda—Finance & Taxation, 05/11/88, 1:30 pm, 21-HOB—For subreferral only
 06/07/88 HOUSE Died in Committee on Finance & Taxation, Iden./Sim./ Compare bill passed, refer to SB 188 (Ch 88-157)

H 225 GENERAL BILL by Stone; Shelley and others

Medical Transportation Services; deletes requirement for municipalities which apply for licensure as basic life support or advanced life support ground service Amends 401 25 Effective Date 10/01/88
 02/01/88 HOUSE Prefiled
 02/11/88 HOUSE Referred to Community Affairs, Appropriations

HISTORY OF HOUSE BILLS

H 237 (CONTINUED)

- 04/21/88 HOUSE Withdrawn from Higher Education -HJ 220, Now in Finance & Taxation -HJ 220
- 05/09/88 HOUSE On Committee agenda—Finance & Taxation, 05/11/88, 1:30 pm, 21-HOB—For subreferral only
- 05/10/88 HOUSE Withdrawn from Finance & Taxation -HJ 394, Now in Appropriations -HJ 394
- 05/25/88 HOUSE Withdrawn from Appropriations -HJ 686, Placed on Calendar
- 06/07/88 HOUSE Died on Calendar

H 238 GENERAL BILL by Retirement, Personnel & Collective Bargaining; Martinez

ERS/Actuarial Opt. Benefit Factors; provides that actuarial optional benefit factors shall be frozen at age 65, revises contribution rates applicable to members of Fla. Retirement System Amends 121.091 Effective Date: 01/01/89 except as otherwise provided

- 02/02/88 HOUSE Prefiled
- 02/11/88 HOUSE Referred to Finance & Taxation; Appropriations
- 04/05/88 HOUSE Introduced, referred to Finance & Taxation, Appropriations -HJ 28
- 04/13/88 HOUSE Withdrawn from Finance & Taxation -HJ 157, Now in Appropriations -HJ 157
- 05/16/88 HOUSE Subferred to Subcommittee on General Government
- 05/23/88 HOUSE On Committee agenda—Appropriations, 05/24/88, 8:00 am, Morris Hall—For ratification of subreferral
- 06/07/88 HOUSE Died in Committee on Appropriations

H 239 GENERAL BILL/ENG by Retirement, Personnel & Collective Bargaining; Martinez (Compare CS/ENG/H 1497, CS/S 1343)

Public Retirement/Benefit Limitation, provides new limitation of benefits for certain retirees; provides existing system members must have 12 month break in service to transfer to Fla Retirement System; permits optional participation in Senior Management Class for certain employees Amends 112 65,.051,.055. Effective Date: 07/01/88 or upon becoming law, whichever occurs later.

- 02/02/88 HOUSE Prefiled
- 02/11/88 HOUSE Referred to Finance & Taxation; Appropriations
- 04/05/88 HOUSE Introduced, referred to Finance & Taxation, Appropriations -HJ 28
- 04/13/88 HOUSE Withdrawn from Finance & Taxation -HJ 157, Now in Appropriations -HJ 157
- 04/19/88 HOUSE Withdrawn from Appropriations -HJ 187; Placed on Calendar
- 05/03/88 HOUSE Placed on Special Order Calendar
- 05/09/88 HOUSE Read second time, Amendments adopted -HJ 373
- 05/10/88 HOUSE Read third time, Amendment adopted, Passed as amended; YEAS 112 NAYS 0 -HJ 389
- 05/11/88 SENATE In Messages
- 05/17/88 SENATE Received, referred to Personnel, Retirement and Collective Bargaining, Appropriations -SJ 296
- 05/19/88 SENATE On Committee agenda—Personnel, Retirement and Collective Bargaining, 05/23/88, 2:00 pm, Room-C—Cancelled
- 05/27/88 SENATE Extension of time granted Committee Personnel, Retirement and Collective Bargaining
- 06/07/88 SENATE Died in Committee on Personnel, Retirement and Collective Bargaining, Iden./Sim./Compare bill passed, refer to CS/HB 1497 (Ch. 88-382)

H 240 GENERAL BILL by Reddick and others (Identical S 80, Similar CS/H 196)

College Reach-Out Program, (THIS BILL COMBINED IN CS/H 196,240) establishes said program; provides grants to strengthen educational motivation of low-income or educationally disadvantaged students, prescribes program requirements & procedures for obtaining grants; requires report on program effectiveness, provides for termination & for legislative review. Effective Date: Upon becoming law.

- 02/02/88 HOUSE Prefiled
- 02/11/88 HOUSE Referred to Higher Education; Appropriations
- 04/05/88 HOUSE Introduced, referred to Higher Education, Appropriations -HJ 28, On Committee agenda—Higher Education, 04/06/88, 1:15 pm, 212-HOB—For subreferral
- 04/06/88 HOUSE Subferred to Subcommittee on Planning and Programs
- 04/07/88 HOUSE On subcommittee agenda—Higher Education, 04/11/88, 1:15 pm, 415-HOB
- 04/11/88 HOUSE Subcommittee Recommendation pending ratification by full Committee: Favorable; On Committee agenda—Higher Education, 04/13/88, 3:30 pm, 212-HOB
- 04/13/88 HOUSE Preliminary Committee Action by Higher Education: Favorable as a Committee Substitute, combined with HB 196
- 04/19/88 HOUSE CS combines this bill and 196; Comm Report. CS by Higher Education -HJ 208; Original bill laid on Table under Rule, refer to combined CS/ HB 196 (Died in House Appropriations Committee) -HJ 208

H 241 GENERAL BILL/ENG by Deutsch; Ostrau (Identical CS/S 218)

Controlled Substances/Schedule I-V, adds additional substances to lists of controlled substances in Schedules I-V Amends 893.03. Effective Date: 10/01/88.

- 02/03/88 HOUSE Prefiled

H 241 (CONTINUED)

- 02/11/88 HOUSE Referred to Criminal Justice
- 03/04/88 HOUSE Subferred to Subcommittee on Crimes, Penalties and Prosecutions
- 04/05/88 HOUSE Introduced, referred to Criminal Justice -HJ 28; Subferred to Subcommittee on Crimes, Penalties and Prosecutions
- 04/12/88 HOUSE On subcommittee agenda—Criminal Justice, 04/14/88, 8:00 am, 314-HOB
- 04/14/88 HOUSE Subcommittee Recommendation pending ratification by full Committee Favorable
- 04/18/88 HOUSE On Committee agenda—Criminal Justice, 04/20/88, 3:30 pm, Morris Hall
- 04/20/88 HOUSE Preliminary Committee Action by Criminal Justice. Favorable
- 04/22/88 HOUSE Comm. Report. Favorable by Criminal Justice, placed on Calendar -HJ 233
- 04/28/88 HOUSE Placed on Special Order Calendar; Read second time -HJ 283
- 05/04/88 HOUSE Read third time -HJ 323, Amendments adopted; Passed as amended, YEAS 113 NAYS 0 -HJ 328
- 05/05/88 SENATE In Messages
- 05/10/88 SENATE Received, referred to Judiciary-Criminal -SJ 256
- 05/12/88 SENATE Withdrawn from Judiciary-Criminal, Substituted for CS/SB 218, Passed, YEAS 37 NAYS 0 -SJ 286
- 05/17/88 Ordered enrolled
- 05/23/88 Signed by Officers and presented to Governor -HJ 634
- 05/30/88 Approved by Governor, Chapter No. 88-59

H 242 GENERAL BILL by Deutsch

Public Officers & Employees/Gifts; provides that certain gifts representing expression of sympathy need not be listed in required statement of financial interest. Amends 112 3145 Effective Date 07/06/88.

- 02/03/88 HOUSE Prefiled
- 02/11/88 HOUSE Referred to Ethics & Elections
- 04/05/88 HOUSE Introduced, referred to Ethics & Elections -HJ 28; On Committee agenda—Ethics & Elections, 04/06/88, 10:00 am, 212-HOB
- 04/06/88 HOUSE Preliminary Committee Action by Ethics & Elections: Favorable
- 04/08/88 HOUSE Comm Report: Favorable by Ethics & Elections, placed on Calendar -HJ 107
- 04/19/88 HOUSE Placed on Special Order Calendar; Read second time -HJ 197
- 04/21/88 HOUSE Read third time, Passed; YEAS 114 NAYS 0 -HJ 217
- 04/25/88 SENATE In Messages
- 04/28/88 SENATE Received, referred to Governmental Operations; Rules and Calendar -SJ 199
- 05/02/88 SENATE Extension of time granted Committee Governmental Operations
- 05/09/88 SENATE On Committee agenda—Governmental Operations, 05/11/88, 8:00 am, Room-H
- 05/11/88 SENATE Comm. Report: Favorable by Governmental Operations -SJ 273
- 05/12/88 SENATE Now in Rules and Calendar -SJ 273
- 05/13/88 SENATE Extension of time granted Committee Rules and Calendar
- 05/25/88 SENATE Withdrawn from Rules and Calendar -SJ 378; Placed on Calendar
- 05/30/88 SENATE Placed on Special Order Calendar -SJ 463
- 05/31/88 SENATE Placed on Special Order Calendar -SJ 649
- 06/01/88 SENATE Placed on Special Order Calendar -SJ 611 & -SJ 612; Passed; YEAS 35 NAYS 0 -SJ 643
- 06/01/88 Ordered enrolled
- 06/21/88 Signed by Officers and presented to Governor
- 07/06/88 Approved by Governor, Chapter No. 88-316

H 243 GENERAL BILL/CS/ENG by Natural Resources; Long and others (Compare H 22, ENG/H 1588, ENG/H 1620, S 234, CS/ENG/S 522)

Water Management Districts; provides for creation of Oklawaha River Basin Advisory Council, amends provision re appt. of Southwest Fla. Water Mgmt. District board members; abolishes Oklawaha River Basin & Greater St. Johns River Basin in St. Johns River Water Mgmt District; authorizes water mgmt. districts to delegate certain permitting authorities to counties & to establish criteria for such delegations, etc Amends 373.073, 0693,.103,.4595; creates 253.024. Effective Date. Upon becoming law, except as otherwise provided.

- 02/03/88 HOUSE Prefiled
- 02/11/88 HOUSE Referred to Natural Resources
- 04/05/88 HOUSE Introduced, referred to Natural Resources -HJ 28; On Committee agenda—Natural Resources, 04/06/88, 2:30 pm, Morris Hall—For ratification of subreferral
- 04/07/88 HOUSE Subferred to Subcommittee II
- 04/22/88 HOUSE On subcommittee agenda—Natural Resources, 04/26/88, 2:15 pm, 16-HOB

HISTORY OF SENATE BILLS

S 148 (CONTINUED)
 05/31/88 SENATE In Messages
 06/01/88 SENATE Concurred, Passed as amended; YEAS 32 NAYS 0 -SJ 636
 06/01/88 Ordered engrossed, then enrolled -SJ 636
 06/16/88 Signed by Officers and presented to Governor
 07/01/88 Approved by Governor; Chapter No 88-154

S 149 GENERAL BILL/ENG by Education (Compare H 770, H 1349, S 1283, S 1321)
Direct-support Org./School Boards. (OPEN GOVERNMENT SUNSET REVIEW) provides for replenishment of accounts under self-insurance programs by specified means; amends provision which provides exemption from public records requirements for certain info contained in annual audit reports of organizations, revises qualifications for such organizations, provides for future review & repeal; includes additional info in audit reports, etc Amends 237.211,.40. Effective Date: 10/01/88.
 01/13/88 SENATE Prefiled
 01/15/88 SENATE Referred to Education
 01/19/88 SENATE On Committee agenda—Education, 02/03/88, 9:00 am, Room-1C
 02/03/88 SENATE Comm Report: Favorable by Education, placed on Calendar
 04/05/88 SENATE Introduced, referred to Education -SJ 20; Comm Report: Favorable by Education, placed on Calendar -SJ 53
 04/12/88 SENATE Placed on Special Order Calendar -SJ 67; Passed, YEAS 37 NAYS 0 -SJ 85, Immediately certified -SJ 90
 04/12/88 HOUSE In Messages
 04/13/88 HOUSE Received, referred to Education, K - 12 -HJ 156
 04/22/88 HOUSE On subcommittee agenda—Education, K - 12, 04/26/88, 1.15 pm, 317-HOB
 04/26/88 HOUSE On Committee agenda—Education, K - 12, 04/27/88, 3:30 pm, 214C
 04/29/88 HOUSE On Committee agenda—Education, K - 12, 05/03/88, 3:30 pm, 214C
 05/06/88 HOUSE Comm Report. Favorable with 2 amendment(s) by Education, K - 12, placed on Calendar -HJ 365
 05/30/88 HOUSE Placed on Special Order Calendar
 05/31/88 HOUSE Read second time -HJ 943, Amendments adopted, Read third time; Passed as amended; YEAS 99 NAYS 8 -HJ 944
 05/31/88 SENATE In Messages
 06/02/88 SENATE Concurred; Passed as amended, YEAS 32 NAYS 0 -SJ 723
 06/02/88 Ordered engrossed, then enrolled -SJ 723
 06/16/88 Signed by Officers and presented to Governor
 07/01/88 Approved by Governor, Chapter No. 88-155

S 150 GENERAL BILL/CS/ENG by Appropriations; Hollingsworth and others (Compare CS/CS/ENG/H 148, H 438, CS/ENG/H 1497, S 891, CS/S 1343)
F.R.S./Contributions/Special Risk. increases rate of employer contributions re members of special risk class of F.R.S.; increases monthly retirement benefit re special risk service. Amends 121 071,.091. Effective Date: 10/01/88
 01/13/88 SENATE Prefiled
 01/15/88 SENATE Referred to Personnel, Retirement and Collective Bargaining; Appropriations
 04/05/88 SENATE Introduced, referred to Personnel, Retirement and Collective Bargaining; Appropriations -SJ 20
 04/07/88 SENATE On Committee agenda—Personnel, Retirement and Collective Bargaining, 04/12/88, 2:00 pm, Room-C
 04/12/88 SENATE Comm. Report: Favorable with 1 amendment(s) by Personnel, Retirement and Collective Bargaining -SJ 91
 04/13/88 SENATE Now in Appropriations -SJ 91
 05/02/88 SENATE On Committee agenda—Appropriations, 05/04/88, 1:00 pm, Room-A—Temporarily postponed
 05/04/88 SENATE Extension of time granted Committee Appropriations
 05/19/88 SENATE Extension of time granted Committee Appropriations
 05/26/88 SENATE On Committee agenda—Appropriations, 05/27/88, 9:00 am, Room-A—Temporarily postponed -SJ 430
 06/01/88 SENATE On Committee agenda—Appropriations, 06/02/88, 9:00 am, Room-A -SJ 708
 06/02/88 SENATE Comm. Report: CS by Appropriations, placed on Calendar -SJ 716
 06/03/88 SENATE CS read first time -SJ 787; Placed on Special Order Calendar -SJ 866 & -SJ 924
 06/06/88 SENATE Placed on Special Order Calendar -SJ 1010; Amendment pending -SJ 1034
 06/07/88 SENATE Placed on Special Order Calendar -SJ 1089; CS passed as amended; YEAS 33 NAYS 1 -SJ 1136
 06/07/88 HOUSE In Messages; Received, placed on Calendar -HJ 1695; Read second time, Read third time, CS passed; YEAS 99 NAYS 12 -HJ 1695
 06/07/88 Ordered enrolled -SJ 1272
 06/20/88 Signed by Officers and presented to Governor
 07/05/88 Approved by Governor; Chapter No 88-238

S 151 GENERAL BILL by Judiciary-Civil (Similar H 204, S 112)
Voter Registration Records/Evidence; provides that electronically reproduced

S 151 (CONTINUED)
 copies of voter registration records are admissible as evidence in court & have same force & effect as original records. Creates 92 295. Effective Date: 10/01/88.
 01/13/88 SENATE Prefiled
 01/15/88 SENATE Referred to Judiciary-Civil
 04/05/88 SENATE Introduced, referred to Judiciary-Civil -SJ 20
 04/14/88 SENATE On Committee agenda—Judiciary-Civil, 04/19/88, 2:00 pm, Room-B—Temporarily postponed
 04/15/88 SENATE Extension of time granted Committee Judiciary-Civil
 04/29/88 SENATE Extension of time granted Committee Judiciary-Civil
 05/13/88 SENATE Extension of time granted Committee Judiciary-Civil
 05/27/88 SENATE Extension of time granted Committee Judiciary-Civil
 06/07/88 SENATE Died in Committee on Judiciary-Civil, Iden./Sim./ Compare bill passed, refer to HB 204 (Ch. 88-45)

S 152 GENERAL BILL/ENG by Judiciary-Civil (Similar H 4, H 806, Compare CS/H 309, H 1360, S 228, S 707)
Marital Assets & Liabilities; authorizes courts to equitably distribute such assets & liabilities & prescribes factors for court to consider in making such distributions; establishes date for determining such assets & liabilities & value thereof; provides for consideration of alimony award; provides that court may consider adultery of either spouse in determining amount of alimony, etc. Creates 61 075; amends 61.08, 382.023, 741 02, 28 101. Effective Date: 10/01/88 except as otherwise provided.
 01/13/88 SENATE Prefiled
 01/15/88 SENATE Referred to Judiciary-Civil
 04/05/88 SENATE Introduced, referred to Judiciary-Civil -SJ 20; On Committee agenda—Judiciary-Civil, 04/06/88, 2:00 pm, Room-B
 04/06/88 SENATE Comm Report: Favorable with 2 amendment(s) by Judiciary-Civil, placed on Calendar -SJ 68
 04/19/88 SENATE Placed on Special Order Calendar -SJ 129; Passed as amended, YEAS 33 NAYS 0 -SJ 140; Immediately certified -SJ 141
 04/19/88 HOUSE In Messages
 04/25/88 HOUSE Received, placed on Calendar -HJ 235
 05/04/88 HOUSE Placed on Special Order Calendar
 05/09/88 HOUSE Substituted for HB 806, Read second time, Amendments adopted -HJ 374
 05/10/88 HOUSE Read third time, Passed as amended, YEAS 118 NAYS 0 -HJ 392
 05/11/88 SENATE In Messages
 05/17/88 SENATE Was taken up -SJ 299; Amendments to House amendments adopted; Concurred in House amendments as amended, Requested House to concur; Refused to concur in amendments totaling 2; Requested House to recede, Passed as amended; YEAS 33 NAYS 0 -SJ 300
 05/18/88 HOUSE In Messages
 05/25/88 HOUSE Concurred in Senate amendment to House amendment, Amendment to Senate amendment to House amendment adopted, Concurred in Senate amendment to House amendment as amended; Receded from amendments totaling 2, Passed as further amended; YEAS 116 NAYS 0 -HJ 678
 05/25/88 SENATE In Messages
 05/26/88 SENATE Concurred, Passed as amended, YEAS 31 NAYS 0 -SJ 431
 05/26/88 Ordered engrossed, then enrolled -SJ 431
 06/01/88 Signed by Officers and presented to Governor -SJ 713
 06/16/88 Approved by Governor; Chapter No 88-98

S 153 GENERAL BILL/CS by Economic, Community and Consumer Affairs; Economic, Community and Consumer Affairs (Compare CS/ENG/H 1502)
Architecture/Revision. (SUNSET) mandates passage of & revises prerequisites that entitle applicant to take licensure examination; revises certain internship requirements; provides for license reactivation; revises requirements to clarify practice of architecture by partnership of corporation; provides additional grounds for disciplinary action; provides for future review & repeal, etc. Amends/revives/readopts Ch. 481. Effective Date: 10/01/88.
 01/13/88 SENATE Prefiled
 01/15/88 SENATE Referred to Economic, Community and Consumer Affairs
 02/15/88 SENATE On Committee agenda—Economic, Community and Consumer Affairs, 03/01/88, 9:30 am, Room-H
 03/01/88 SENATE Comm. Report: CS by Economic, Community and Consumer Affairs, placed on Calendar
 04/05/88 SENATE Introduced, referred to Economic, Community and Consumer Affairs -SJ 20; Comm. Report: CS by Economic, Community and Consumer Affairs, placed on Calendar -SJ 53; CS read first time -SJ 55
 06/07/88 SENATE Died on Calendar, Iden./Sim./Compare Bill passed, refer to CS/HB 1502 (Ch. 88-383)

S 154 GENERAL BILL by Johnson and others (Similar H 311)
Full-School Utilization Programs; provides for planning & implementation of said program; provides contents of plan, provides grant application & award procedures; provides for monitoring & evaluation, provides rulemaking author-

(CONTINUED ON NEXT PAGE)

(PAGE NUMBERS REFLECT DAILY SENATE AND HOUSE JOURNALS AND NOT FINAL BOUND JOURNALS)

AND NOT FINAL BOUND JOURNALS)

HISTORY OF SENATE BILLS

S 1192 (CONTINUED)

05/25/88 SENATE Withdrawn from Rules and Calendar -SJ 378; Placed on Special Order Calendar -SJ 374 -SJ 378; Amendments adopted -SJ 00387 & -SJ 393, CS passed as amended; YEAS 40 NAYS 0 -SJ 402

05/26/88 SENATE Immediately certified -SJ 437

05/26/88 HOUSE In Messages; Received, placed on Calendar -HJ 789, Read second time; Amendments adopted, Read third time; CS passed as amended; YEAS 105 NAYS 10 -HJ 815

05/27/88 SENATE In Messages

05/30/88 SENATE Was taken up -SJ 475, Refused to concur, requests House recede/appoint Conference Comm. -SJ 501; Conference Committee appointed Senators Crawford, Kirkpatrick, Lehtinen; and alternates: McPherson and Grizzle -SJ 501

05/30/88 HOUSE In Messages; Refused to recede -HJ 902; Conference Committee appointed: Rep. Martin, Friedman, Dunbar; Alts. Saunders & Drage -HJ 902

05/30/88 SENATE In Messages

06/03/88 SENATE Conference Committee Report received -SJ 944, Conference Committee Report adopted, Passed as amended by Conference Committee Report; YEAS 35 NAYS 0 -SJ 982

06/03/88 HOUSE In Messages, Was taken up -HJ 1453, Conference Committee Report received; Conference Committee Report adopted, Passed as amended by Conference Committee Report, YEAS 111 NAYS 4 -HJ 1493

06/03/88 Ordered engrossed, then enrolled -SJ 1009

06/16/88 Signed by Officers and presented to Governor

06/24/88 Approved by Governor; Chapter No. 88-130

S 1193 GENERAL BILL/CS/ENG by Transportation; Beard (Similar H 1734, Compare H 1638, CS/S 1204)

Hazardous Materials/Transportation of: increases hours of service commercial motor vehicle driver may operate; provides exemptions from certain safety regulations, revises safety regulations applicable re transporting hazardous materials by commercial motor vehicle, authorizes enforcement officers of D.O.T. & state highway patrolmen to inspect shipping documents & cargo of certain commercial motor vehicles, etc. Amends Chs 316, 320, 207, 319. Effective Date: 10/01/88 except as otherwise provided

04/13/88 SENATE Filed

04/21/88 SENATE Introduced, referred to Transportation; Finance, Taxation and Claims; Appropriations -SJ 156

04/29/88 SENATE Extension of time granted Committee Transportation

05/05/88 SENATE On Committee agenda—Transportation, 05/09/88, 2:00 pm, Room-C

05/09/88 SENATE Comm. Report: CS by Transportation -SJ 267

05/11/88 SENATE CS read first time -SJ 275, Now in Finance, Taxation and Claims -SJ 267

05/13/88 SENATE Extension of time granted Committee Finance, Taxation and Claims

05/18/88 SENATE On Committee agenda—Finance, Taxation and Claims, 05/19/88, 2:00 pm, Room-1C -SJ 341

05/19/88 SENATE Comm. Report Favorable by Finance, Taxation and Claims -SJ 358

05/23/88 SENATE Now in Appropriations -SJ 358, On Committee agenda—Appropriations, 05/24/88, 2:00 pm, Room-A

05/24/88 SENATE Comm. Report. Favorable by Appropriations, placed on Calendar -SJ 375

05/30/88 SENATE Placed on Special Order Calendar -SJ 463

05/31/88 SENATE Placed on Special Order Calendar -SJ 549; CS passed; YEAS 37 NAYS 0 -SJ 576

05/31/88 HOUSE In Messages

06/03/88 HOUSE Received, placed on Calendar -HJ 1383; Read second time; Amendments adopted; Read third time; CS passed as amended; YEAS 117 NAYS 0 -HJ 1385

06/03/88 SENATE In Messages

06/06/88 SENATE Concurred, CS passed as/amended; YEAS 33 NAYS 1 -SJ 1031

06/06/88 Ordered engrossed, then enrolled -SJ 1031

06/21/88 Signed by Officers and presented to Governor

07/06/88 Approved by Governor; Chapter No. 88-306

S 1194 GENERAL BILL by Frank

Deaf Persons' Interpreters Act: creates said act; provides for use of interpreters in certain court & administrative proceedings; requires oath or affirmation by interpreter; provides for payment with county funds; provides that statement taken from deaf person who has been arrested before qualified interpreter is present is not admissible in court; extends right to interpreter's services to any deaf person who is arrested & taken into custody, etc. Amends 90 6063, 901.245. Effective Date: 10/01/88.

04/13/88 SENATE Filed

04/21/88 SENATE Introduced, referred to Judiciary-Civil; Economic, Community and Consumer Affairs; Appropriations -SJ 156

04/29/88 SENATE Extension of time granted Committee Judiciary-Civil

05/13/88 SENATE Extension of time granted Committee Judiciary-Civil

05/27/88 SENATE Extension of time granted Committee Judiciary-Civil

06/07/88 SENATE Died in Committee on Judiciary-Civil

S 1195 GENERAL BILL by Hair (Compare ENG/H 218, CS/ENG/H 1497, CS/S 1343)

Univ System/Opt. Retirement Program: permits any employee who occupies position classified in State University System Executive Service to participate in optional retirement program for State University System in lieu of participating in Fla. Retirement System; updates cross-references. Amends 121.35. Effective Date Upon becoming law.

04/13/88 SENATE Filed

04/21/88 SENATE Introduced, referred to Personnel, Retirement and Collective Bargaining, Appropriations -SJ 156

04/25/88 SENATE On Committee agenda—Personnel, Retirement and Collective Bargaining, 04/27/88, 2:00 pm, Room-C

04/27/88 SENATE Comm. Report: Favorable by Personnel, Retirement and Collective Bargaining -SJ 212

04/29/88 SENATE Now in Appropriations -SJ 212

05/04/88 SENATE Extension of time granted Committee Appropriations

05/19/88 SENATE Withdrawn from Appropriations -SJ 355; Placed on Calendar

05/30/88 SENATE Placed on Special Order Calendar -SJ 463

05/31/88 SENATE Placed on Special Order Calendar -SJ 549; Iden./Sim. House Bill substituted, Laid on Table under Rule, Iden./Sim./Compare Bill passed, refer to HB 218 (Vetoed by Governor-07/06/88) & CS/HB 1497 (Ch. 88-382) -SJ 590

S 1196 GENERAL BILL by Beard (Similar S 1338)

Guaranteed Traffic Arrest Bonds: increases from \$500 to \$1,000 maximum amount surety insurer on guaranteed traffic arrest bond may guarantee; requires undertaking to become surety on guaranteed traffic arrest bond to state unqualified obligation by insurer to pay fine in amount not to exceed \$1,000; defines term "guaranteed traffic arrest bond certificate", etc. Amends 627 758, 903.36. Effective Date Upon becoming law.

04/13/88 SENATE Filed

04/21/88 SENATE Introduced, referred to Commerce -SJ 156

04/29/88 SENATE Extension of time granted Committee Commerce

05/13/88 SENATE Extension of time granted Committee Commerce

05/27/88 SENATE Extension of time granted Committee Commerce

06/07/88 SENATE Died in Committee on Commerce, Iden./Sim /Compare bill passed, refer to SB 1338 (Ch 88-309)

S 1197 GENERAL BILL by Frank

Unclaimed Evidence/Disposition of provides for disposition of proceeds when unclaimed evidence is sold Amends 705.105 Effective Date Upon becoming law

04/13/88 SENATE Filed

04/21/88 SENATE Introduced, referred to Judiciary-Civil, Appropriations -SJ 156

04/29/88 SENATE Extension of time granted Committee Judiciary-Civil

05/13/88 SENATE Extension of time granted Committee Judiciary-Civil

05/27/88 SENATE Extension of time granted Committee Judiciary-Civil

06/07/88 SENATE Died in Committee on Judiciary-Civil

S 1198 GENERAL BILL by Girardeau (Similar H 804, S 785)

State Tuition Vouchers: requires applicant for state tuition voucher to demonstrate certain financial need, authorizes D.O.E. to establish eligibility standards for applicants for such vouchers & to establish applicant rating system; requires priority to be given to applicants having lowest family resources, etc. Amends 240 401. Effective Date: 07/01/88 or upon becoming law, whichever occurs later.

04/13/88 SENATE Filed

04/21/88 SENATE Introduced, referred to Education; Appropriations -SJ 156

04/29/88 SENATE Extension of time granted Committee Education

05/02/88 SENATE On Committee agenda—Education, 05/04/88, 9:00 am, Room-A—Temporarily postponed

05/13/88 SENATE Extension of time granted Committee Education

05/27/88 SENATE Extension of time granted Committee Education

06/07/88 SENATE Died in Committee on Education

S 1199 LOCAL BILL by Kirkpatrick

Palm Beach Co./Relief/Edgar Burnett: requires county to appropriate funds for relief of Edgar Burnett, to compensate him for severe personal injuries, including permanent quadriplegia, arising out of negligent operation & maintenance of recreational park; provides for payment by Palm Beach County. Claim: \$500,000. Effective Date: 07/01/88 or upon becoming law, whichever occurs later.

04/13/88 SENATE Filed

04/21/88 SENATE Introduced, referred to The Special Master on Claims; Finance, Taxation and Claims -SJ 156

04/29/88 SENATE Extension of time granted Committee The Special Master on Claims

05/13/88 SENATE Extension of time granted Committee The Special Master on Claims

05/27/88 SENATE Extension of time granted Committee The Special Master on Claims

06/07/88 SENATE Died in Committee on The Special Master on Claims

S 1200 GENERAL BILL by Lehtinen

Sentencing: requires judges to consider psychological injury to victim in sentencing certain persons; provides for appeals of certain sentences imposed outside sentencing guidelines Amends 924 06,.07 Effective Date: 07/01/88 or upon becoming law, whichever occurs earlier

CITATOR—BILLS INTRODUCED

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86.041 S 210, H 288

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88.151 S 487, S 542, H 363, H 1484

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 90.616 S 1303, H 830
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 92.295 S 112, S 151, H 204
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95.051 S 751, H 774
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97.041 S 34, S 79, S 721, S 839, S 1001,
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100.011 S 633, H 1605
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 104.071 S 34, H 1550

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STORAGE NAME: PCB-RP5
Date: February 29, 1988
Revised: _____
Final: _____

COPY

HOUSE OF REPRESENTATIVES
RETIREMENT, PERSONNEL & COLLECTIVE BARGAINING
STAFF ANALYSIS

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BILL #: PCB-5
RELATING TO: Florida Retirement System Contribution Rates
SPONSOR(S): House Committee on Retirement, Personnel, & Collective Bargaining
EFFECTIVE DATE: January 1, 1989
COMPANION BILLS: _____
OTHER COMMITTEES OF REFERENCE: (1) Appropriations
(2) _____

I. SUMMARY:

A. Background:

The Florida Retirement System (FRS) is a noncontributory defined benefit pension plan in which all state, county, and school district employees, and many municipal and special district employees, participate. (The FRS now has almost 450,000 active members and 95,000 retirees.) Funding of the FRS comes exclusively from employer contributions set by law as a fixed percentage of payroll, with different percentages applicable to various groups of employees within the FRS.

Pursuant to Article X, Section 14, of the State Constitution, and its implementing statute, s. 112.63, F.S., the FRS is required to be funded on a sound actuarial basis. This requirement is an expression of the policy that contributions to the FRS should be adequate to cover the anticipated costs of benefits so as to avoid passing on to future generations of taxpayers the cost of funding past and current retirees' benefits. To assure that the FRS (and other public pension systems) would meet this goal, s. 112.64 was enacted in 1978 to require that contributions to the retirement system be sufficient to meet the normal cost of the retirement system and to amortize the unfunded liability (due to previous underfunding) within 40 plan years. However, a 30-year amortization schedule had already been established for the FRS in 1977.

Section 112.63 was also enacted in 1978 to require triennial actuarial valuations to monitor the adequacy of the system's funding and to ensure that the amortization schedule is being met and that normal costs are being covered. As a further safeguard, s. 112.658 was enacted in 1979 to require the Auditor General to

conduct periodic performance audits of the FRS and the actuarial valuations performed thereon. Section 121.031(3), F.S., also provided for actuarial valuations every three years, but was amended in 1984 to provide valuations every two years with any increase in the unfunded liability arising from experience losses or gains or supplemental retiree benefit increases to be amortized within 15 plan years. The last complete actuarial valuation of the FRS was conducted in 1985.

Many factors must be taken into consideration in the determination of the level of incremental funding necessary to meet the long term retirement plan funding requirements. First, the overall plan liabilities, consisting of the total potential liability for benefits, must be determined. Potential liability for benefits is dependent upon projections of the number of employees who will actually receive benefits under the plan, the life expectancies of the employees, the salaries of employees, and other demographic factors. Offsetting these liabilities is the value of the assets of the retirement fund and projections regarding the real rate of investment return on those assets. Basically, the difference between potential liabilities and the assets to date determine the amount of contributions required.

The above projections constitute what are known as the actuarial assumptions, and, by necessity, these must be long term projections since meeting the 15-year and 30-year amortization schedules is dependent upon them. No projection is going to be accurate over a 15 or 30-year span, therefore, it is necessary that periodic actuarial valuations be conducted to assess the degree to which the actuarial assumptions are holding true with actual experience. If the assumptions have proven inaccurate (resulting in actuarial gains or losses), the assumptions are revised and the whole system must be rebalanced to meet the funding goals (and cover the actuarial gains or losses) with a resulting decrease or increase in contribution rates.

B. Results of the 1987 Biennial Actuarial Valuation:

Milliman & Robertson, Inc., (M&R) the consulting actuaries to the Division of Retirement, performed the biennial actuarial valuation of the FRS. This was the first valuation by this firm. All previous valuations of the system have been performed by the actuarial firm of Tillinghast, Nelson & Warren, Inc.

The 1987 valuation revealed that the unfunded accrued actuarial liability has risen substantially since the 1985 valuation, primarily due to a change in the investment return assumption from 9% to 8% and a large actuarial loss during the past two years. Consequently, Milliman & Robertson has recommended that the retirement contribution rates be increased for most classes of

membership. The new contribution rates would be implemented effective January 1, 1989 as follows:

TABLE I-1
Level Contribution Rate Adjustments

Membership Class	Current Rate	Adjustment	New Rate
Regular	13.14%	+3.67%	16.81%
Special Risk	15.11%	+3.92%	19.03%
Special Risk Administrative	15.44%	-2.50%	12.94%
Judicial	20.94%	+7.71%	28.65%
Cabinet	11.50%	+10.15%	21.65%
Legislators	11.50%	+10.15%	21.65%
Attorneys	11.50%	+10.50%	21.65%
County Elected Officers	17.19%	+6.05%	23.24%
Senior Management	13.88%	+4.98%	18.86%

Because of the tremendous increase in the combined contribution rates (see Table II-1), M&R has proposed a graded increase in the rates. The graded increase has been proposed for two reasons:

1. To minimize the disruption of the budgeting process which would result from a single change in the rates; and
2. To allow time for a thorough analysis of the actuarial assumptions, whose imprecision may have led to the volatility in the rates.

M&R has also indicated the contribution rates could be further reduced by repealing the provisions in Chapter 121 requiring that experience gains and losses must be amortized over a 15 year period. Table I-2 shows the proposed contribution increases on a graded basis for the next 5 years under current law. Table I-3 shows the proposed contribution increases on a graded basis for the next 5 years with the 15 year amortization provisions repealed.

TABLE I-2

Graded Contribution Rate Adjustments
 (Includes 15 year Amortization)

	Regular	Special Risk	Special Risk Admin.	Judicial	Cabinet Legislators Attorneys	County Elected Officers	Senior Management
Current	13.14%	15.11%	15.44%	20.94%	11.50%	17.19%	13.88%
Adjust.	+.81%	+.84%	-.63%	+1.69%	+2.25%	+1.30%	+1.12%
1989	13.95%	15.95%	14.81%	22.63%	13.75%	18.49%	15.00%
Adjust.	+.80%	+.84%	-.63%	+1.68%	+2.25%	+1.31%	+1.13%
1990	14.75%	16.79%	14.18%	24.31%	16.00%	19.80%	16.13%
Adjust.	+.81%	+.85%	-.64%	+1.69%	+2.25%	+1.30%	+1.12%
1991	15.56%	17.64%	13.54%	26.00%	18.25%	21.10%	17.25%
Adjust.	+.80%	+.84%	-.63%	+1.68%	+2.25%	+1.31%	+1.13%
1992	16.36%	18.48%	12.91%	27.68%	20.50%	22.41%	18.38%
Adjust.	+.81%	+.84%	-.63%	+1.69%	+2.25%	+1.30%	+1.12%
1993 & thereafter	17.17%	19.32%	12.28%	29.37%	22.75%	23.71%	19.50%

NOTE: All of the above contribution rate adjustments would take effect on January 1, of the designated year.

TABLE I-3

Graded Contribution Rate Adjustments
 (15 Year Amortization Repealed)

	Regular	Special Risk	Special Risk Admin.	Judicial	Cabinet Legislative Attorneys	County Elected Officers	Senior Management
Current	13.14%	15.11%	15.44%	20.94%	11.50%	17.19%	13.88%
Adjust.	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	+1.07%
1989	13.90%	15.90%	14.76%	22.58%	13.70%	18.44%	14.95%
Adjust.	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1990	14.66%	16.70%	14.09%	24.22%	15.91%	19.71%	16.04%
Adjust.	+.77%	+.81%	-.68%	+1.65%	+2.21%	+1.26%	+1.08%
1991	15.43%	17.51%	13.41%	25.87%	18.12%	20.97%	17.12%
Adjust.	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1992	16.19%	18.31%	12.74%	27.51%	20.33%	22.24%	18.21%
Adjust.	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	+1.07%
1993 & thereafter	16.95%	19.10%	12.06%	29.15%	22.53%	23.49%	19.28%

NOTE: All of the above contribution rate adjustments would take effect on January 1 of the designated year.

In addition to the increases in the general retirement membership classes, M&R also conducted an actuarial study on the Institute of Food and Agricultural Sciences (IFAS) to determine the actuarial soundness of that system. The study found the system slightly over funded, therefore, a reduction in the contribution rate for these members was recommended to be reduced from 6.68% to 6.35%.

C. The Performance Audit:

Section 112.658, F.S., requires the Auditor General to determine the compliance of the Florida Retirement System with the Florida Protection of Employee Retirement Benefits Act, Chapter 112, Part VII, F.S. The purpose of the most recent audit was to review the 1987 Actuarial Valuation of the Florida Retirement System and determine its compliance with the reporting requirements specified in sections 112.63 and 121.031, F.S. The Auditor General's objectives were:

1. To determine if the valuation was made using generally accepted actuarial procedures;
2. To review assumptions used in the valuation to assess their reasonableness and effect on the valuation's results, and;
3. To determine if progress has been made in improving the funding status of the Florida Retirement System.

The performance audit was conducted by the Office of the Auditor General with the assistance of a consulting actuary, Buck Consultants, Inc. The audit resulted in the following major findings (shown in bold type) and recommendations (see Auditor General's Report for complete details):

1. **The 1987 Actuarial Valuation was made with more conservative assumptions than were used in prior valuations.** The audit found that Milliman & Robertson agreed with previous audits that prior valuations were made with optimistic economic assumptions. The use of which resulted in large, unexpected experience losses and contributed to increases in the FRS unfunded actuarial accrued liability. While the use of more conservative economic assumptions should reduce the likelihood that the State will incur large experience losses and resulting increases in the unfunded liability in the future, some of the changes in assumptions were not specifically reported. Hence, the Auditor General recommended the Division of Retirement ensure that future actuarial valuations clearly disclose the effect of changing assumptions from previous valuations.
2. **The 1987 Actuarial Valuation used a method that did not even out year-to-year fluctuations in the market value of common stock. The method used to value fixed income assets reduced fluctuations in asset values, but may not comply with statutory requirements.** The 1985 actuarial valuation was made using a five-year averaging methodology for valuing system assets, consistent with the method referred to in subsection 121.031(3)(a), F.S. The 1987 valuation used a methodology for

valuing equities that would not reduce year-to-year fluctuations in market values. The value of common stock reported in the 1987 actuarial valuation was based on average market values over the 12 months preceding the valuation date. Additionally, in the 1985 valuation, the FRS fixed income assets were valued on an amortized cost basis. However, they were not valued on this basis in the 1987 valuation. The method used resulted in fixed income assets being valued at approximately \$293 million and \$233 million higher than if valued on a market or amortized cost basis. The use of this method reduced the size of the FRS unfunded actuarial accrued liability, and the estimated contribution rates. The Auditor General recommended that the Division of Retirement and its actuaries review the methods used to determine the value of equity and fixed assets and adopt a new method for equities that will generate less volatile values over a period of years and evaluate whether the method for fixed assets should be used in the future.

3. **The 1987 Actuarial Valuation included measures of the system's funding status, but did not report the trend since the last valuation. The Legislature needs such information to evaluate funding progress and the ability of the system to cover pension liabilities.** Therefore, the Auditor General recommended that the Division of Retirement ensure that future actuarial valuations of the FRS consistently report trends in fund solvency across actuarial valuations.

As part of their review, the Auditor General's consulting actuaries, Buck Consultants, Inc. also studied Milliman & Robertson's proposal to implement a graded contribution rate increase over the next five years. They agreed the graded approach seems to be the only practical approach, considering the uncertainty of the current contribution rates and the fact they may have been too low. Buck did point out, however, that there may be legal considerations to this approach, although they did not find any prohibition.

B. Effect of Proposed Changes:

PCB-5 addresses several sections of statute necessary to revise the retirement contribution rates. Additionally, the bill substantially revises the form in which the contribution rates are shown from a paragraph format to a chart format to provide easier tracking of rate changes. The bill also changes the effective date of the contribution rate increases from the traditional date of October 1 to a new date of January 1. This was done to give FRS employers extra time to prepare for the increased payments and to make it easier on employers in processing W-2 forms at the end of each fiscal year. The following is a section by section summary of the bill:

Section 1 changes the effective date of the increased employer contributions of .24% to fund the Retiree Health Insurance Subsidy Trust Fund as provided last session in Chapter 87-373, Laws of Florida. The effective date is changed from October 1, 1988 to

January 1, 1989 to coincide with the effective date of the rate changes proposed in this bill.

Section 2 repeals the provisions of Chapter 112, F.S., which require that all increases in the unfunded liability resulting from experience losses or gains or supplemental retiree benefit increases must be amortized over a 15 year period. This means these increases will be amortized over a 30 year period as are other increases in the liabilities.

Section 3 revises the contribution rates of the Elected State Officer's Class of membership to reflect a graded increase in the contribution rates over a 5 year period as recommended in the actuarial study.

Section 4 revises the contribution rate of the Senior Management Service Class of membership to reflect a graded increase in the contribution rate over a 5 year period as recommended in the actuarial study.

Section 5 revises the contribution rates of the Regular, Special Risk, and Special Risk Administrative Support Classes of membership to reflect a graded increase in the contribution rates over a 5 year period as recommended in the actuarial study.

Section 6 revises the contribution rate of the Institute of Food and Agricultural Sciences (IFAS) supplemental plan as recommended in the actuarial study.

Section 7 provides the manner in which the cumulative retirement contribution rates will be computed in the event additional legislation is passed which requires an increase in the contribution rates.

Section 8 provides the effective date of this bill as October 1, 1988.

II. ECONOMIC IMPACT:

A. Public:

Since the Florida Retirement System is a noncontributory retirement plan, state and local employers will be required to absorb the entire cost of the increased retirement contributions* specified in this bill. Members of the retirement system will not be required to pay any funds.

B. Government:

Section 14, Article 10, Constitution of the State of Florida, requires that increased retirement benefits be funded in an actuarially sound manner. The increased contribution rates

provided in this bill are needed in order to comply with this provision.

The actuarial firm of Milliman & Robertson, Inc., has performed the valuation as required by statute and recommended an increase in the contribution rates for most classes of membership. The State Retirement Actuary has calculated the projected cost of implementing these new contribution rates.

The tables below show the cost of a one time increase (Table II-1), the cost of a graded increase under current law (Table II-2), and the cost of a graded increase with the 15 year amortization provisions repealed (Table II-3). The estimates are based upon a 10% per year growth in the employer payroll. The base used was the 1986-87 salaries as reported to the State Division of Retirement which were as follows:

<u>Membership Class</u>	<u>Salaries</u>
FRS - Regular	\$7,695,079,441
FRS - Senior Management	16,333,372
FRS - Special Risk	764,153,030
FRS - Special Risk Admin.	3,754,885
FRS - Elected State Officers	72,530,027
Teachers Retirement System	141,468,273
State & County Employees	5,473,124
Highway Patrol System	25,328
Total	<u>\$8,698,817,480</u>

TABLE II-1

**Increased Employer Contributions
 (One Time Increase FRS)**

<u>Jan/89 - June/89</u> <u>(six months)</u>		<u>July/89 - June/90</u> <u>(twelve months)</u>	
State	\$ 48,037,000	State	\$ 69,898,000
Local	138,955,000	Local	202,924,000
Total	\$ 186,992,000	Total	\$ 272,822,000

**Decreased Employer Contributions
 (One Time Decrease IFAS)**

<u>Jan/89 - June/89</u> <u>(six months)</u>		<u>July/89 - June/90</u> <u>(twelve months)</u>	
State	\$ 17,000	State	\$ 34,000
Local	0	Local	0
Total	\$ 17,000	Total	\$ 34,000

TABLE II-2

Increased Employer Contributions
(Graded Increase With 15 Year Amortization)

Proposed Rates Effective January 1, 1989

<u>Jan/89 - June/89</u> (six months)	<u>July/89 - June/90</u> (twelve months)
State \$ 10,570,000	State \$ 22,074,000
Local 30,582,000	Local 63,847,000
Total \$ 41,152,000	Total \$ 85,921,000

Proposed Rates Effective January 1, 1990

<u>Jan/90 - June/90</u> (six months)	<u>July/90 - June/91</u> (twelve months)
State \$ 11,504,000	State \$ 24,309,000
Local 33,265,000	Local 70,307,000
Total \$ 44,769,000	Total \$ 94,616,000

Proposed Rates Effective January 1, 1991

<u>Jan/91 - June/91</u> (six months)	<u>July/91 - June/92</u> (twelve months)
State \$ 12,805,000	State \$ 26,725,000
Local 37,042,000	Local 77,292,000
Total \$ 49,847,000	Total \$104,017,000

Proposed Rates Effective January 1, 1992

<u>Jan/92 - June/92</u> (six months)	<u>July/92 - June/93</u> (twelve months)
State \$ 13,920,000	State \$ 29,395,000
Local 40,250,000	Local 85,025,000
Total \$ 54,170,000	Total \$114,420,000

Proposed Rates Effective January 1, 1993

<u>Jan/93 - June/93</u> (six months)	<u>July/93 - June/94</u> (twelve months)
State \$ 15,475,000	State \$ 32,498,000
Local 44,775,000	Local 94,028,000
Total \$ 60,250,000	Total \$126,526,000

TABLE II-3

Increased Employer Contributions
(Graded Increase with 15 year Amortization Repealed)

Proposed Rates Effective January 1, 1989

Jan/89 - June/89 (six months)	July/89 - June/90 (twelve months)
State \$ 9,937,000	State \$ 20,884,000
Local 28,703,000	Local 60,314,000
Total \$ 38,640,000	Total \$ 81,198,000

Proposed Rates Effective January 1, 1990

Jan/90 - June/90 (six months)	July/90 - June/91 (twelve months)
State \$ 10,947,000	State \$ 23,139,000
Local 31,611,000	Local 66,834,000
Total \$ 42,558,000	Total \$ 89,973,000

Proposed Rates Effective January 1, 1991

Jan/91 - June/91 (six months)	July/91 - June/92 (twelve months)
State \$ 12,192,000	State \$ 25,438,000
Local 35,223,000	Local 73,473,000
Total \$ 47,415,000	Total \$ 98,911,000

Proposed Rates Effective January 1, 1992

Jan/92 - June/92 (six months)	July/92 - June/93 (twelve months)
State \$ 13,246,000	State \$ 27,795,000
Local 38,250,000	Local 80,273,000
Total \$ 51,496,000	Total \$108,068,000

Proposed Rates Effective January 1, 1993

Jan/93 - June/93 (six months)	July/93 - June/94 (twelve months)
State \$ 14,549,000	State \$ 30,553,000
Local 42,023,000	Local 88,248,000
Total \$ 56,572,000	Total \$118,801,000

II. STATE COMPREHENSIVE PLAN IMPACT:

None.

IV. COMMENTS:

As previously stated, the state is required to conduct an actuarial valuation on the FRS biennially. The next valuation will take place in 1989; two years into the current proposed graded rate increases. Therefore, the contribution rates as proposed by the actuaries and in this bill will probably never be fully implemented as proposed.

Prior to the 1989 valuation the state's consulting actuaries, Milliman & Robertson, Inc. will conduct an experience study (the last experience study was in 1985) on the FRS to fully examine all assumptions. Based on these new assumptions, the 1989 contribution will be proposed.

V. AMENDMENTS:

VI. PREPARED BY: _____


Ron Poppell

VII. STAFF DIRECTOR: _____

FLOOR SUMMARY
PCB-5

Relating to: RETIREMENT CONTRIBUTION RATE INCREASES

MR. SPEAKER, SECTION 121.031(3), F.S. REQUIRES THAT THE STATE CONDUCT AN ACTUARIAL VALUATION ON THE FLORIDA RETIREMENT SYSTEM EVERY TWO YEARS. THE STUDY IS TO DETERMINE IF THE CONTRIBUTIONS TO THE SYSTEM NEED TO BE ADJUSTED TO KEEP IT FUNDED ON A SOUND ACTUARIAL BASIS, AS REQUIRED BY SECTION 14, ARTICLE X OF THE STATE CONSTITUTION.

THE CURRENT STUDY INDICATED THE UNFUNDED LIABILITY OF THE SYSTEM HAS RISEN BY \$2.7 BILLION, PRIMARILY DUE TO A CHANGE IN THE INVESTMENT RETURN ASSUMPTION FROM 9% TO 8%. THE BILL WE HAVE BEFORE US TODAY ADDRESSES THIS LOSS AND MAKES THE NECESSARY RETIREMENT CONTRIBUTION RATE INCREASES TO CORRECT THE PROBLEM.

I URGE YOUR SUPPORT OF THE BILL.

SECTION 1 CHANGES THE EFFECTIVE DATE OF THE INCREASED EMPLOYER CONTRIBUTIONS OF .24% TO FUND THE RETIREE HEALTH INSURANCE SUBSIDY TRUST FUND AS PROVIDED LAST SESSION IN CHAPTER 87-373, LAWS OF FLORIDA. THE EFFECTIVE DATE IS CHANGED FROM OCTOBER 1, 1988 TO JANUARY 1, 1989 TO COINCIDE WITH THE EFFECTIVE

DATE OF THE RATE CHANGES PROPOSED IN THIS BILL. THIS CHANGE PROVIDES APPROXIMATELY \$6 - \$8 MILLION SAVINGS.

SECTION 2 REPEALS THE PROVISIONS OF CHAPTER 112, F.S., WHICH REQUIRE THAT ALL INCREASES IN THE UNFUNDED LIABILITY RESULTING FROM EXPERIENCE LOSSES OR GAINS OR SUPPLEMENTAL RETIREE BENEFIT INCREASES MUST BE AMORTIZED OVER A 15 YEAR PERIOD. THIS MEANS THESE INCREASES WILL BE AMORTIZED OVER A 30 YEAR PERIOD AS ARE OTHER INCREASES IN THE LIABILITIES. THIS CHANGE PROVIDES A SAVINGS OF \$34 MILLION OVER THE 5-YEAR PHASE IN PERIOD.

SECTION 3 REVISES THE CONTRIBUTION RATES OF THE ELECTED STATE OFFICER'S CLASS OF MEMBERSHIP TO REFLECT A GRADED INCREASE IN THE CONTRIBUTION RATES OVER A 5 YEAR PERIOD AS RECOMMENDED IN THE ACTUARIAL STUDY.

SECTION 4 REVISES THE CONTRIBUTION RATE OF THE SENIOR MANAGEMENT SERVICE CLASS OF MEMBERSHIP TO REFLECT A GRADED INCREASE IN THE CONTRIBUTION RATE OVER A 5 YEAR PERIOD AS RECOMMENDED IN THE ACTUARIAL STUDY.

SECTION 5 REVISES THE CONTRIBUTION RATES OF THE REGULAR, SPECIAL RISK, AND SPECIAL RISK ADMINISTRATIVE SUPPORT CLASSES OF MEMBERSHIP TO REFLECT A GRADED INCREASE IN THE CONTRIBUTION RATES OVER A 5 YEAR PERIOD AS RECOMMENDED IN THE ACTUARIAL STUDY.

SECTION 6 REVISES THE CONTRIBUTION RATE OF THE INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES (IFAS) SUPPLEMENTAL PLAN AS RECOMMENDED IN THE ACTUARIAL STUDY.

SECTION 7 PROVIDES THE MANNER IN WHICH THE CUMULATIVE RETIREMENT CONTRIBUTION RATES WILL BE COMPUTED IN THE EVENT ADDITIONAL LEGISLATION IS PASSED WHICH REQUIRES AN INCREASE IN THE CONTRIBUTION RATES.

SECTION 8 PROVIDES THE EFFECTIVE DATE OF THIS BILL AS OCTOBER 1, 1988.

Journal
of the
Florida
House of Representatives



Ninetieth
Regular Session
since Statehood in 1845

April 5 through June 7, 1988

[Including a record of transmittal of Acts subsequent to sine die adjournment]

Votes after roll call.

Nays—Friedman

So the bill passed, as amended, and was immediately certified to the Senate after engrossment.

Without objection, consideration of CS/HB 309 was temporarily deferred.

CS/HB 513—A bill to be entitled An act relating to elderly homeowners; directing the Florida Advisory Council on Intergovernmental Relations to conduct a study of the impact of escalating tax assessments on homestead residences of elderly homeowners; directing the Department of Community Affairs to prepare a brochure explaining the Homestead Property Tax Deferral Act; providing an effective date.

—was read the second time by title On motion by Rep. Bankhead, the rules were waived by two-thirds vote and the bill was read a third time by title On passage, the vote was

Yeas—111

The Chair	Friedman	King	Rehm
Arnold	Frishe	Langton	Renke
Ascherl	Gardner	Lawson	Rochlin
Bainter	Glickman	Lewis	Rudd
Banjanin	Gonzalez-	Luberti	Rush
Bankhead	Quevedo	Lippman	Sample
Bass	Goode	Locke	Sanderson
Bell	Gordon	Logan	Sansom
Bloom	Grindle	Lombard	Saunders
Bronson	Guber	Long	Simon
Burke	Gustafson	Mackenzie	Simone
Canady	Gutman	Mackey	Smith
Carlton	Hanson	Martin	Souto
Carpenter	Harden	Martinez	Starks
Casas	Hargrett	McEwan	Stone
Clark	Harris	Meffert	Thomas
Clements	Hawkins	Messersmith	Titone
Cosgrove	Healey	Metcalf	Tobiasen
Crady	Hill	Mitchell	Tobin
Crotty	Hodges	Morse	Trammell
Dantzler	Holland	Mortham	Troxler
Davis	Holzendorf	Nergard	Upchurch
Deutsch	Irvine	Ostrau	Wallace
Diaz-Balart	Jamerson	Patchett	Webster
Drage	Jennings	Peebles	Wetherell
Dunbar	Johnson, R. C.	Press	Wise
Figg	Jones, C. F.	Reaves	Woodruff
Frankel	Jones, D. L.	Reddick	Young

Nays—None

So the bill passed and was immediately certified to the Senate

CS/HB 1497—A bill to be entitled An act relating to retirement; amending s. 112.363, F.S.; revising the effective date of contribution rate increases with respect to the retiree health insurance subsidy; amending s. 121.031, F.S.; repealing language requiring benefit increases to be amortized over a 15-year period; amending s. 121.052, F.S.; revising contribution rates applicable to members of the Elected State Officers' Class, providing a contribution rate for the Retiree Health Insurance Subsidy; amending s. 121.055, F.S.; authorizing certain persons to participate in the Senior Management Service Class; providing for alternative participation; revising the contribution rate applicable to members of the Senior Management Service Class, providing a contribution rate for the retiree health insurance subsidy; amending s. 121.071, F.S., revising contribution rates applicable to members of the Regular Class, Special Risk Class and Special Risk Administrative Support Class; providing a contribution rate for the retiree health insurance subsidy; amending s. 121.40, F.S., revising the contribution rate applicable to Institute of Food and Agricultural Science Supplemental Retirement Act; specifying intent with respect to the contribution rates specified in this act; providing an effective date.

—was read the second time by title.

Representatives C. F. Jones and Ascherl offered the following amendment:

Amendment 1—On page 23, line 16, insert Section 8 *In the event CS/HB 148, SB 150, or similar legislation having substantially the same specific intent and purpose fails to become law, the funds specified in the General Appropriations Act from the State General Revenue Fund for increased special risk retirement contributions, which are contingent upon such legislation becoming law, shall be transferred to the Florida Retirement System Trust Fund.* (renumber subsequent section)

Rep. Jones moved the adoption of the amendment, which was adopted.

Representatives C. F. Jones and Ascherl offered the following title amendment:

Amendment 2—On page 1, line 29, after the semicolon insert: providing for transfer of certain funds under specified conditions,

Rep. Jones moved the adoption of the amendment, which was adopted without objection

Representative Mackey offered the following amendment:

Amendment 3—On page 2, between lines 27 and 28, insert new Section (3): Section 3 Subsection (6) of Section 121.0515, Florida Statutes, is amended to read:

121.0515 Special risk membership; criteria; designation and removal of classification; credits for past service and prior service; retention of special risk normal retirement date.—

(6) CREDIT FOR PRIOR SERVICE.—A special risk member who has creditable service with an employer under chapter 122, chapter 321 or was employed as a correctional counselor with the Department of Corrections between December 1, 1970 and September 30, 1978, in a position which satisfied the criteria provided for in subsection (2) for special risk membership except the requirement for a certificate or waiver of certificate, shall have those years of service counted towards the attainment of the normal retirement date as a special risk member under this chapter. The percentage value of each such year of creditable service under chapter 122, chapter 321, or as a correctional counselor shall not change as a result of the application of this subsection A special risk member who has taken a refund of contributions for such creditable service under chapter 122 or chapter 321 and has reclaimed it as prior service credit under this chapter shall be permitted to have such creditable service counted toward the attainment of the normal retirement date for the Special Risk Class of membership under this chapter. (renumber subsequent sections)

Rep. Mackey moved the adoption of the amendment, which was adopted

Representative Mackey offered the following title amendment

Amendment 4—On page 1, line 8, after the semicolon, following the word "period," insert: amending s. 121.0515, F.S., permitting certain special risk members to receive special risk credit for prior service;

Rep. Mackey moved the adoption of the amendment, which was adopted without objection.

Representative Martinez offered the following amendment.

Amendment 5—On page 2, line 2, strike everything after the enacting clause and insert:

Section 1. Effective July 1, 1988, subsection (1) of section 112.1904, Florida Statutes, is amended to read

112.1904 Law enforcement officers unlawfully and intentionally killed in performance of duties, death benefits.—

(1) As used in this section, the term "law enforcement officer" means a full-time officer or employee of the state or any political subdivision of the state, including any correctional officer, state attorney investigator, or public defender investigator, whose duties require such officer or employee to investigate, pursue, apprehend, arrest, transport, or maintain custody of persons who are charged with, suspected of committing, or convicted of a crime, and the term includes any member of a bomb disposal unit whose primary responsibility is the location, handling, and disposal of explosive devices.

Section 2. Effective July 1, 1988, paragraph (c) is added to subsection (5) of section 112.362, Florida Statutes, to read.

112.362 Recomputation of retirement benefits.—

(5)(a) Effective July 1, 1981, the dollar factors used in determining the minimum benefits provided by this section shall be adjusted by an

amount derived by multiplying said dollar factors by the percentage change in the average cost-of-living index since the previous July 1, not to exceed 3 percent. Each July 1 thereafter, the adjusted dollar factors used in determining the minimum benefits provided by this section shall continue to be adjusted by an amount derived by multiplying the current adjusted dollar factors by the percentage change in the average cost-of-living index since the previous July 1, not to exceed 3 percent for any annual adjustment.

(b) "Average cost-of-living index" as of any July 1 date means the average of the monthly Consumer Price Index figures for the 12-month period from April 1 through March 31 immediately prior to the adjustment date, relative to the United States as a whole, issued by the Bureau of Labor Statistics of the United States Department of Labor.

(c) Effective July 1, 1987, the adjusted dollar factors used in determining the minimum benefits provided by this section shall be adjusted by a constant 3 percent.

Section 3 Paragraph (b) of subsection (8) of section 112 363, Florida Statutes, is amended to read:

112 363 Retiree health insurance subsidy —

(8) CONTRIBUTIONS.—For purposes of funding the insurance subsidy provided by this section:

(b) Beginning January 1, 1989 October 1, 1988, the employer of each member of a state-administered retirement plan shall contribute 0.48 percent of gross compensation each pay period.

Such contributions shall be submitted to the Division of Retirement and deposited in the Retiree Health Insurance Subsidy Trust Fund

Section 4 Section 112.65, Florida Statutes, is amended to read:

112 65 Limitation of benefits —

(1) The normal retirement benefit or pension payable to a retiree who becomes a member of any retirement system or plan and who has not previously participated in such plan, on or after January 1, 1980, shall not exceed 100 percent of his average final compensation. However, nothing contained in this section shall apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments. As used in this section, the term "average final compensation" means the average of the member's earnings, over a period of time which the governmental entity has established by statute, charter, or ordinance, be limited in the following manner:

(a) If such member does not receive social security benefits, his pension benefits shall not exceed 100 percent of his average final compensation.

(b) If such member receives social security benefits, the sum of the member's pension benefit and the primary social security benefit the member receives shall not exceed 100 percent of the member's average final compensation.

(c) Nothing contained in this section shall apply to supplemental retirement benefits or to pension increases attributable to cost of living increases or adjustments.

(d) As used in this section, the term "social security benefits" shall not apply to social security benefits earned exclusively through nongovernmental employment or by a surviving beneficiary.

(e) As used in this section, the term "average final compensation" means the average of the member's earnings, excluding payments for accumulated leave, compensatory time, and overtime, over a period of time which the governmental entity has established by statute, charter, or ordinance.

(2) No member of a retirement system or plan covered by this part who is not now a member of such plan shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from another retirement system or plan; provided that this restriction does not apply to social security coverage or benefits or federal benefits under chapter 67, Title 10, U.S. Code.

Section 5. Effective July 1, 1988, subsection (18), and paragraphs (a) and (b) of subsection (19) of section 121 021, Florida Statutes, are amended, and subsection (39) is added to said section, to read:

121 021 Definitions.—The following words and phrases as used in this chapter have the respective meanings set forth unless a different meaning is plainly required by the context:

(18) "Past service" of any member, as provided in s 121.081(1), means the number of years and complete months and any fractional part of a month, recognized and credited by an employer and approved by the administrator, during which he was in the active employ of an employer prior to his date of participation.

(19) "Prior service" under this chapter means:

(a) Service for which the member had credit under one of the existing systems and received a refund of his contributions upon termination of employment. Prior service shall also include that service between December 1, 1970, and the date the system becomes noncontributory for which the member had credit under the Florida Retirement System and received a refund of his contributions upon termination of employment. After the date the Florida Retirement System becomes noncontributory, prior service shall also include that service for which the member had credit under the noncontributory provisions upon termination of employment.

(b) Service prior to an employee's membership in the Florida Retirement System with an employer, either before or during the employer's participation in an existing system. The word "service" as used in this paragraph and paragraph (c) means employment service prior to December 1, 1970, which, at the time it is claimed as prior service, satisfies the requirements for a regularly established position, as defined by rules of the Florida Retirement System.

(39) "Termination" occurs when a member ceases all employment relationships with employers under this system, as defined in subsection (10), but in the event a member should be employed by any such employer within the next calendar month, termination shall be deemed not to have occurred. A leave of absence shall constitute a continuation of the employment relationship, except that a leave of absence without pay due to disability may constitute termination for a member, if such member makes application for and is approved for disability retirement in accordance with s 121 091(4). The division may require other evidence of termination as it deems necessary.

Section 6 Subsections (3) and (4) of section 121 031, Florida Statutes, are amended to read:

121.031 Administration of system; appropriation; oaths; actuarial studies —

(3) The administrator shall cause an actuarial study of the system to be made at least once every 2 years and shall report the results of such study to the next session of the Legislature by February 1 prior to the next legislative session following completion of the study. Such study shall, at a minimum, conform to the requirements of s. 112 63, with the following exceptions and additions:

(a) The valuation of plan assets shall be based on a 5-year averaging methodology such as that specified in the United States Department of Treasury Regulations, 26 C.F.R. s. 1 412(c)(2), or a similar accepted approach designed to attenuate fluctuations in asset values.

(b) The study shall include a narrative explaining the changes in the covered group over the period between actuarial valuations and the impact of those changes on actuarial results.

(c) When substantial changes in actuarial assumptions have been made, the study shall reflect the results of an actuarial assumption as of the current date based on the assumptions utilized in the prior actuarial report.

(d) The study shall include an analysis of the changes in actuarial valuation results by the factors generating those changes. Such analysis shall reconcile the current actuarial valuation results with those results from the prior valuation.

(e) The study shall include measures of funding status and funding progress designed to facilitate the assessment of trends over several actuarial evaluations with respect to the overall solvency of the

STORAGE NAME: H1497s.ap
Date: May 10, 1988
Revised: May 11, 1988
Final: _____

CS/HB 1497

HOUSE OF REPRESENTATIVES
RETIREMENT, PERSONNEL & COLLECTIVE BARGAINING
(As Revised by the Committee on Appropriations)
STAFF ANALYSIS

BILL #: CS/HB 1497
RELATING TO: Florida Retirement System Contribution Rates
SPONSOR(S): House Committee on Retirement, Personnel, & Collective Bargaining
EFFECTIVE DATE: October 1, 1988
COMPANION BILLS: _____
OTHER COMMITTEES OF REFERENCE: (1) Appropriations
(2) _____

I. SUMMARY:

A. Background:

The Florida Retirement System (FRS) is a noncontributory defined benefit pension plan in which all state, county, and school district employees, and many municipal and special district employees, participate. (The FRS now has almost 450,000 active members and 95,000 retirees.) Funding of the FRS comes exclusively from employer contributions set by law as a fixed percentage of payroll, with different percentages applicable to various groups of employees within the FRS.

Pursuant to Article X, Section 14, of the State Constitution, and its implementing statute, s. 112.63, F.S., the FRS is required to be funded on a sound actuarial basis. This requirement is an expression of the policy that contributions to the FRS should be adequate to cover the anticipated costs of benefits so as to avoid passing on to future generations of taxpayers the cost of funding past and current retirees' benefits. To assure that the FRS (and other public pension systems) would meet this goal, s. 112.64 was enacted in 1978 to require that contributions to the retirement system be sufficient to meet the normal cost of the retirement system and to amortize the unfunded liability (due to previous underfunding) within 40 plan years. However, a 30-year amortization schedule had already been established for the FRS in 1977.

Section 112.63 was also enacted in 1978 to require triennial actuarial valuations to monitor the adequacy of the system's funding and to ensure that the amortization schedule is being met and that normal costs are being covered. As a further safeguard, s. 112.658 was enacted in 1979 to require the Auditor General to conduct periodic performance audits of the FRS and the actuarial valuations performed thereon. Section 121.031(3), F.S., also provided for actuarial valuations every three years, but was amended in 1984 to provide valuations every two years with any increase in the unfunded liability arising from experience losses or gains or supplemental retiree benefit increases to be amortized within 15 plan years. The last complete actuarial valuation of the FRS was conducted in 1985.

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Many factors must be taken into consideration in the determination of the level of incremental funding necessary to meet the long term retirement plan funding requirements. First, the overall plan liabilities, consisting of the total potential liability for benefits, must be determined. Potential liability for benefits is dependent upon projections of the number of employees who will actually receive benefits under the plan, the life expectancies of the employees, the salaries of employees, and other demographic factors. Offsetting these liabilities is the value of the assets of the retirement fund and projections regarding the real rate of investment return on those assets. Basically, the difference between potential liabilities and the assets to date determine the amount of contributions required.

The above projections constitute what are known as the actuarial assumptions, and, by necessity, these must be long term projections since meeting the 15-year and 30-year amortization schedules is dependent upon them. No projection is going to be accurate over a 15 or 30-year span, therefore, it is necessary that periodic actuarial valuations be conducted to assess the degree to which the actuarial assumptions are holding true with actual experience. If the assumptions have proven inaccurate (resulting in actuarial gains or losses), the assumptions are revised and the whole system must be rebalanced to meet the funding goals (and cover the actuarial gains or losses) with a resulting decrease or increase in contribution rates.

B. Results of the 1987 Biennial Actuarial Valuation:

Milliman & Robertson, Inc., (M&R) the consulting actuaries to the Division of Retirement, performed the biennial actuarial valuation of the FRS. This was the first valuation by this firm. All previous valuations of the system have been performed by the actuarial firm of Tillinghast, Nelson & Warren, Inc.

The 1987 valuation revealed that the unfunded accrued actuarial liability has risen substantially since the 1985 valuation, primarily due to a change in the investment return assumption from 9% to 8% and a large actuarial loss during the past two years. Consequently, Milliman & Robertson has recommended that the retirement contribution rates be increased for most classes of membership. The new contribution rates would be implemented effective January 1, 1989 as follows:

TABLE I-1

Level Contribution Rate Adjustments

Membership Class	Current Rate	Adjustment	New Rate
Regular	13.14%	+3.67%	16.81%
Special Risk	15.11%	+3.92%	19.03%
Special Risk	15.44%	-2.50%	12.94%
Administrative			
Judicial	20.94%	+7.71%	28.65%
Cabinet	11.50%	+10.15%	21.65%
Legislators	11.50%	+10.15%	21.65%
Attorneys	11.50%	+10.50%	21.65%
County Elected Officers	17.19%	+6.05%	23.24%
Senior Management	13.88%	+4.98%	18.86%

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Because of the tremendous increase in the combined contribution rates (see Table II-1), M&R has proposed a graded increase in the rates. The graded increase has been proposed for two reasons:

1. To minimize the disruption of the budgeting process which would result from a single change in the rates; and
2. To allow time for a thorough analysis of the actuarial assumptions, whose imprecision may have led to the volatility in the rates.

M&R has also indicated the contribution rates could be further reduced by repealing the provisions in Chapter 121 requiring that experience gains and losses must be amortized over a 15 year period. Table I-2 shows the proposed contribution increases on a graded basis for the next 5 years under current law. Table I-3 shows the proposed contribution increases on a graded basis for the next 5 years with the 15 year amortization provisions repealed.

TABLE I-2

**Graded Contribution Rate Adjustments
 (Includes 15 year Amortization)**

	Regular	Special Risk	Special Risk Admin.	Judicial	Cabinet Legislators Attorneys	County Elected Officers	Senior Management
Current	13.14%	15.11%	15.44%	20.94%	11.50%	17.19%	13.88%
Adjust.	+.81%	+.84%	-.63%	+1.69%	+2.25%	+1.30%	+1.12%
1989	13.95%	15.95%	14.81%	22.63%	13.75%	18.49%	15.00%
Adjust.	+.80%	+.84%	-.63%	+1.68%	+2.25%	+1.31%	+1.13%
1990	14.75%	16.79%	14.18%	24.31%	16.00%	19.80%	16.13%
Adjust.	+.81%	+.85%	-.64%	+1.69%	+2.25%	+1.30%	+1.12%
1991	15.56%	17.64%	13.54%	26.00%	18.25%	21.10%	17.25%
Adjust.	+.80%	+.84%	-.63%	+1.68%	+2.25%	+1.31%	+1.13%
1992	16.36%	18.48%	12.91%	27.68%	20.50%	22.41%	18.38%
Adjust.	+.81%	+.84%	-.63%	+1.69%	+2.25%	+1.30%	+1.12%
1993 & thereafter	17.17%	19.32%	12.28%	29.37%	22.75%	23.71%	19.50%

NOTE: All of the above contribution rate adjustments would take effect on January 1, of the designated year.

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TABLE I-3

**Graded Contribution Rate Adjustments
 (15 Year Amortization Repealed)**

	Regular	Special Risk	Special Risk Admin.	Judicial	Cabinet Legislative Attorneys	County Elected Officers	Senior Management
Current	13.14%	15.11%	15.44%	20.94%	11.50%	17.19%	13.88%
Adjust.	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	+1.07%
1989	13.90%	15.90%	14.76%	22.58%	13.70%	18.44%	14.95%
Adjust.	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1990	14.66%	16.70%	14.09%	24.22%	15.91%	19.71%	16.04%
Adjust.	+.77%	+.81%	-.68%	+1.65%	+2.21%	+1.26%	+1.08%
1991	15.43%	17.51%	13.41%	25.87%	18.12%	20.97%	17.12%
Adjust	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1992	16.19%	18.31%	12.74%	27.51%	20.33%	22.24%	18.21%
Adjust	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	+1.07%
1993 & thereafter	16.95%	19.10%	12.06%	29.15%	22.53%	23.49%	19.28%

NOTE: All of the above contribution rate adjustments would take effect on January 1 of the designated year.

In addition to the increases in the general retirement membership classes, M&R also conducted an actuarial study on the Institute of Food and Agricultural Sciences (IFAS) to determine the actuarial soundness of that system. The study found the system slightly over funded, therefore, a reduction in the contribution rate for these members was recommended to be reduced from 6.68% to 6.35%.

C. The Performance Audit:

Section 112.658, F.S., requires the Auditor General to determine the compliance of the Florida Retirement System with the Florida Protection of Employee Retirement Benefits Act, Chapter 112, Part VII, F.S. The purpose of the most recent audit was to review the 1987 Actuarial Valuation of the Florida Retirement System and determine its compliance with the reporting requirements specified in sections 112.63 and 121.031, F.S. The Auditor General's objectives were:

1. To determine if the valuation was made using generally accepted actuarial procedures;
2. To review assumptions used in the valuation to assess their reasonableness and effect on the valuation's results, and;
3. To determine if progress has been made in improving the funding status of the Florida Retirement System.

The performance audit was conducted by the Office of the Auditor General with the

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assistance of a consulting actuary, Buck Consultants, Inc. The audit resulted in the following major findings (shown in bold type) and recommendations (see Auditor General's Report for complete details):

1. **The 1987 Actuarial Valuation was made with more conservative assumptions than were used in prior valuations.** The audit found that Milliman & Robertson agreed with previous audits that prior valuations were made with optimistic economic assumptions. The use of which resulted in large, unexpected experience losses and contributed to increases in the FRS unfunded actuarial accrued liability. While the use of more conservative economic assumptions should reduce the likelihood that the State will incur large experience losses and resulting increases in the unfunded liability in the future, some of the changes in assumptions were not specifically reported. Hence, the Auditor General recommended the Division of Retirement ensure that future actuarial valuations clearly disclose the effect of changing assumptions from previous valuations.
2. **The 1987 Actuarial Valuation used a method that did not even out year-to-year fluctuations in the market value of common stock. The method used to value fixed income assets reduced fluctuations in asset values, but may not comply with statutory requirements.** The 1985 actuarial valuation was made using a five-year averaging methodology for valuing system assets, consistent with the method referred to in subsection 121.031(3)(a), F.S. The 1987 valuation used a methodology for valuing equities that would not reduce year-to-year fluctuations in market values. The value of common stock reported in the 1987 actuarial valuation was based on average market values over the 12 months preceding the valuation date. Additionally, in the 1985 valuation, the FRS fixed income assets were valued on an amortized cost basis. However, they were not valued on this basis in the 1987 valuation. The method used resulted in fixed income assets being valued at approximately \$293 million and \$233 million higher than if valued on a market or amortized cost basis. The use of this method reduced the size of the FRS unfunded actuarial accrued liability, and the estimated contribution rates. The Auditor General recommended that the Division of Retirement and its actuaries review the methods used to determine the value of equity and fixed assets and adopt a new method for equities that will generate less volatile values over a period of years and evaluate whether the method for fixed assets should be used in the future.
3. **The 1987 Actuarial Valuation included measures of the system's funding status, but did not report the trend since the last valuation. The Legislature needs such information to evaluate funding progress and the ability of the system to cover pension liabilities.** Therefore, the Auditor General recommended that the Division of Retirement ensure that future actuarial valuations of the FRS consistently report trends in fund solvency across actuarial valuations.

As part of their review, the Auditor General's consulting actuaries, Buck Consultants, Inc. also studied Milliman & Robertson's proposal to implement a graded contribution rate increase over the next five years. They agreed the graded approach seems to be the only practical approach, considering the uncertainty of the current contribution rates and the fact they may have been too low. Buck did point out, however, that there may be legal considerations to this approach, although they did not find any prohibition.

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B. Effect of Proposed Changes:

PCB-5 addresses several sections of statute necessary to revise the retirement contribution rates. Additionally, the bill substantially revises the form in which the contribution rates are shown from a paragraph format to a chart format to provide easier tracking of rate changes. The bill also changes the effective date of the contribution rate increases from the traditional date of October 1 to a new date of January 1. This was done to give FRS employers extra time to prepare for the increased payments and to make it easier on employers in processing W-2 forms at the end of each fiscal year. The following is a section by section summary of the bill:

Section 1 changes the effective date of the increased employer contributions of .24% to fund the Retiree Health Insurance Subsidy Trust Fund as provided last session in Chapter 87-373, Laws of Florida. The effective date is changed from October 1, 1988 to January 1, 1989 to coincide with the effective date of the rate changes proposed in this bill. The change saves approximately \$6 to \$8 million.

Section 2 repeals the provisions of Chapter 112, F.S., which require that all increases in the unfunded liability resulting from experience losses or gains or supplemental retiree benefit increases must be amortized over a 15 year period. This means these increases will be amortized over a 30 year period as are other increases in the liabilities. The change saves approximately \$34 million over the course of the 5 year graded increase.

Section 3 revises the contribution rates of the Elected State Officer's Class of membership effective January 1, 1989 to reflect a graded increase in the contribution rates over a 5 year period as recommended in the actuarial study.

Section 4 allows appointed district school superintendents and community college presidents to participate in the Senior Management Service Class of the Florida Retirement System. Also revises the contribution rate of the Senior Management Service Class of membership effective January 1, 1989 to reflect a graded increase in the contribution rate over a 5 year period as recommended in the actuarial study.

Section 5 revises the contribution rates of the Regular, Special Risk, and Special Risk Administrative Support Classes of membership effective January 1, 1989 to reflect a graded increase in the contribution rates over a 5 year period as recommended in the actuarial study.

Section 6 reduces the contribution rate of the Institute of Food and Agricultural Sciences (IFAS) supplemental plan effective January 1, 1989 as recommended in the actuarial study.

Section 7 provides the manner in which the cumulative retirement contribution rates will be computed in the event additional legislation is passed which requires an increase in the contribution rates.

Section 8 provides the effective date of this bill as October 1, 1988.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT: FY 88-89 FY 89-90 FY 90-91

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:
None

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2. Recurring or Annualized Continuation Effects:

Expenditures:

Increased Retirement Contribution \$9,937,000 \$31,831,000 \$35,331,000

3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

General Revenue Fund \$9,937,000 \$91,925,000 \$102,057,000

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

Expenditures:

Increased Retirement Contributions \$28,703,000 \$60,314,000

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None

2. Direct Private Sector Benefits:

None

3. Effects on Competition, Private Enterprise, and Employment Markets:

None

D. FISCAL COMMENTS:

None

III. STATE COMPREHENSIVE PLAN IMPACT:

None.

IV. COMMENTS:

As previously stated, the state is required to conduct an actuarial valuation on the FRS biennially. The next valuation will take place in 1989; two years into the

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current proposed graded rate increases. Therefore, the contribution rates as proposed by the actuaries and in this bill will probably never be fully implemented as proposed.

Prior to the 1989 valuation the state's consulting actuaries, Milliman & Robertson, Inc. will conduct an experience study (the last experience study was in 1985) on the FRS to fully examine all assumptions. Based on these new assumptions, the 1989 contribution will be proposed.

V. AMENDMENTS:

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:

Ron Poppell

Staff Director:

Ron Poppell

FINANCE & TAXATION:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Michael F. Peters
Michael F. Peters

Staff Director:

James A. Zingale
Dr. James A. Zingale

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STORAGE NAME: h1497s-f.rp
Date: June 14, 1988

HOUSE OF REPRESENTATIVES
RETIREMENT, PERSONNEL & COLLECTIVE BARGAINING
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 1497

RELATING TO: Florida Retirement System Contribution System

SPONSOR(S): Retirement, Personnel & Collective Bargaining Committee

EFFECTIVE DATE: January 1, 1989

DATE BECAME LAW: July 6, 1988

CHAPTER #: 88-382 Laws of Florida

COMPANION BILL(S): SB 1343

OTHER COMMITTEES OF REFERENCE: (1) Appropriations
(2) _____

I. SUMMARY:

A. Background:

The Florida Retirement System (FRS) is a noncontributory defined benefit pension plan in which all state, county, and school district employees, and many municipal and special district employees, participate. (The FRS now has almost 450,000 active members and 95,000 retirees.) Funding of the FRS comes exclusively from employer contributions set by law as a fixed percentage of payroll, with different percentages applicable to various groups of employees within the FRS.

Pursuant to Article X, Section 14, of the State Constitution, and its implementing statute, s. 112.63, F.S., the FRS is required to be funded on a sound actuarial basis. This requirement is an expression of the policy that contributions to the FRS should be adequate to cover the anticipated costs of benefits so as to avoid passing on to future generations of taxpayers the cost of funding past and current retirees' benefits. To assure that the FRS (and other public pension systems) would meet this goal, s. 112.64 was enacted in 1978 to require that contributions to the retirement system be sufficient to meet the normal cost of the retirement system and to amortize the unfunded liability (due to previous underfunding) within 40 plan years. However, a 30-year amortization schedule had already been established for the FRS in 1977.

Section 112.63 was also enacted in 1978 to require triennial actuarial valuations to monitor the adequacy of the system's funding and to ensure that the amortization schedule is being met and that normal costs are being covered. As a further safeguard, s. 112.658 was enacted in 1979 to require the Auditor General to conduct periodic performance audits of the FRS and the actuarial valuations performed thereon. Section 121.031(3), F.S., also provided for actuarial valuations every three years, but was amended in 1984 to provide valuations every two years with any increase in the unfunded liability arising from experience losses or gains or supplemental retiree benefit increases to be amortized within 15 plan years. The last complete actuarial valuation of the FRS was conducted in 1985.

Many factors must be taken into consideration in the determination of the level of incremental funding necessary to meet the long term retirement plan funding requirements. First, the overall plan liabilities, consisting of the total potential liability for benefits, must be determined. Potential liability for benefits is dependent upon projections of the number of employees who will actually receive benefits under the plan, the life expectancies of the employees, the salaries of employees, and other demographic factors. Offsetting these liabilities is the value of the assets of the retirement fund and projections regarding the real rate of investment return on those assets. Basically, the difference between potential liabilities and the assets to date determine the amount of contributions required.

The above projections constitute what are known as the actuarial assumptions, and, by necessity, these must be long term projections since meeting the 15-year and 30-year amortization schedules is dependent upon them. No projection is going to be accurate over a 15 or 30-year span, therefore, it is necessary that periodic actuarial valuations be conducted to assess the degree to which the actuarial assumptions are holding true with actual experience. If the assumptions have proven inaccurate (resulting in actuarial gains or losses), the assumptions are revised and the whole system must be rebalanced to meet the funding goals (and cover the actuarial gains or losses) with a resulting decrease or increase in contribution rates.

B. Results of the 1987 Biennial Actuarial Valuation:

Milliman & Robertson, Inc., (M&R) the consulting actuaries to the Division of Retirement, performed the biennial actuarial valuation of the FRS. This was the first valuation by this firm. All previous valuations of the system have been performed by the actuarial firm of Tillinghast, Nelson & Warren, Inc.

The 1987 valuation revealed that the unfunded accrued actuarial liability has risen substantially since the 1985 valuation, primarily due to a change in the investment return assumption from 9% to 8% and a large actuarial loss during the past two years. Consequently, Milliman & Robertson has recommended that

the retirement contribution rates be increased for most classes of membership.

Because of the tremendous increase in the combined contribution rates M&R has proposed a graded increase in the rates. The graded increase has been proposed for two reasons:

1. To minimize the disruption of the budgeting process which would result from a single change in the rates; and
2. To allow time for a thorough analysis of the actuarial assumptions, whose imprecision may have led to the volatility in the rates.

M&R has also indicated the contribution rates could be further reduced by repealing the provisions in Chapter 121 requiring that experience gains and losses must be amortized over a 15 year period. Table I shows the proposed contribution increases on a graded basis for the next 5 years with the 15 year amortization provisions repealed.

TABLE I

**Graded Contribution Rate Adjustments
 (15 Year Amortization Repealed)**

	Regular	Special Risk	Special Risk Admin.	Judicial	Cabinet Legislative Attorneys	County Elected Officers	Senior Management
Current	13.14%	15.11%	15.44%	20.94%	11.50%	17.19%	13.88%
Adjust.	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	+1.07%
1989	13.90%	15.90%	14.76%	22.58%	13.70%	18.44%	14.95%
Adjust.	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1990	14.66%	16.70%	14.09%	24.22%	15.91%	19.71%	16.04%
Adjust.	+.77%	+.81%	-.68%	+1.65%	+2.21%	+1.26%	+1.08%
1991	15.43%	17.51%	13.41%	25.87%	18.12%	20.97%	17.12%
Adjust	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1992	16.19%	18.31%	12.74%	27.51%	20.33%	22.24%	18.21%
Adjust	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	+1.07%
1993 & thereafter	16.95%	19.10%	12.06%	29.15%	22.53%	23.49%	19.28%

NOTE: All of the above contribution rate adjustments would take effect on January 1 of the designated year.

In addition to the increases in the general retirement membership classes, M&R also conducted an actuarial study on the Institute of Food and Agricultural Sciences (IFAS) to determine the

actuarial soundness of that system. The study found the system slightly over funded, therefore, a reduction in the contribution rate for these members was recommended to be reduced from 6.68% to 6.35%.

C. The Performance Audit:

Section 112.658, F.S., requires the Auditor General to determine the compliance of the Florida Retirement System with the Florida Protection of Employee Retirement Benefits Act, Chapter 112, Part VII, F.S. The purpose of the most recent audit was to review the 1987 Actuarial Valuation of the Florida Retirement System and determine its compliance with the reporting requirements specified in sections 112.63 and 121.031, F.S. The Auditor General's objectives were:

1. To determine if the valuation was made using generally accepted actuarial procedures;
2. To review assumptions used in the valuation to assess their reasonableness and effect on the valuation's results, and;
3. To determine if progress has been made in improving the funding status of the Florida Retirement System.

The performance audit was conducted by the Office of the Auditor General with the assistance of a consulting actuary, Buck Consultants, Inc. The audit resulted in the following major findings (shown in bold type) and recommendations (see Auditor General's Report for complete details):

1. **The 1987 Actuarial Valuation was made with more conservative assumptions than were used in prior valuations.** The audit found that Milliman & Robertson agreed with previous audits that prior valuations were made with optimistic economic assumptions. The use of which resulted in large, unexpected experience losses and contributed to increases in the FRS unfunded actuarial accrued liability. While the use of more conservative economic assumptions should reduce the likelihood that the State will incur large experience losses and resulting increases in the unfunded liability in the future, some of the changes in assumptions were not specifically reported. Hence, the Auditor General recommended the Division of Retirement ensure that future actuarial valuations clearly disclose the effect of changing assumptions from previous valuations.
2. **The 1987 Actuarial Valuation used a method that did not even out year-to-year fluctuations in the market value of common stock. The method used to value fixed income assets reduced fluctuations in asset values, but may not comply with statutory requirements.** The 1985 actuarial valuation was made using a five-year averaging methodology for valuing system assets,

consistent with the method referred to in subsection 121.031(3)(a), F.S. The 1987 valuation used a methodology for valuing equities that would not reduce year-to-year fluctuations in market values. The value of common stock reported in the 1987 actuarial valuation was based on average market values over the 12 months preceding the valuation date. Additionally, in the 1985 valuation, the FRS fixed income assets were valued on an amortized cost basis. However, they were not valued on this basis in the 1987 valuation. The method used resulted in fixed income assets being valued at approximately \$293 million and \$233 million higher than if valued on a market or amortized cost basis. The use of this method reduced the size of the FRS unfunded actuarial accrued liability, and the estimated contribution rates. The Auditor General recommended that the Division of Retirement and its actuaries review the methods used to determine the value of equity and fixed assets and adopt a new method for equities that will generate less volatile values over a period of years and evaluate whether the method for fixed assets should be used in the future.

3. **The 1987 Actuarial Valuation included measures of the system's funding status, but did not report the trend since the last valuation. The Legislature needs such information to evaluate funding progress and the ability of the system to cover pension liabilities.** Therefore, the Auditor General recommended that the Division of Retirement ensure that future actuarial valuations of the FRS consistently report trends in fund solvency across actuarial valuations.

As part of their review, the Auditor General's consulting actuaries, Buck Consultants, Inc. also studied Milliman & Robertson's proposal to implement a graded contribution rate increase over the next five years. They agreed the graded approach seems to be the only practical approach, considering the uncertainty of the current contribution rates and the fact they may have been too low. Buck did point out, however, that there may be legal considerations to this approach, although they did not find any prohibition.

B. Effect of Proposed Changes:

HB 1497 addresses several sections of statute necessary to revise the retirement contribution rates. Additionally, the bill substantially revises the form in which the contribution rates are shown from a paragraph format to a chart format to provide easier tracking of rate changes. The bill also changes the effective date of the contribution rate increases from the traditional date of October 1 to a new date of January 1. This was done to give FRS employers extra time to prepare for the increased payments and to make it easier on employers in processing W-2 forms at the end of each fiscal year. Additionally, the bill contains various changes to law which help

the fiscal soundness of the system. The following is a section by section summary of the bill:

Section 1-Law enforcement death benefits

Chapter 87-143, Laws of Florida, which passed in 1987 was to provide certain death benefits to investigators of the state attorneys office and the public defenders office. The language has been interpreted as also applying to state attorneys and assistant state attorneys. This amendment clarifies that only the investigators are entitled to the death benefits as provided to law enforcement officers killed in the line of duty.

Section 2-Minimum Benefit Provisions

Presently, section 112.362, F.S. provides that the dollar factors used in determining the minimum benefits will increase each July 1, by an amount based on the increase in the average Consumer Price Index (CPI) during the 12-month period, April 1 through March 31, prior to the adjustment date, not to exceed 3 percent.

This amendment replaces the CPI language with a constant 3 percent increase.

Senate Bill 24-B which passed during the second special session of 1987 made these changes for retirement benefit recipients under section 121.101, F.S. This amendment provides the same benefits to those retirees under chapter 112. The amendment is retroactive to July 1, 1987, the same as SB 24-B.

Section 3-Retiree Health Insurance Subsidy

This section changes the effective date of the increased employer contributions of .24% to fund the Retiree Health Insurance Subsidy Trust Fund as provided last session in Chapter 87-373, Laws of Florida. The effective date is changed from October 1, 1988 to January 1, 1989 to coincide with the effective date of the rate general changes proposed in this bill.

Section 4-Limitation of Benefits

Section 112.65, F.S., presently provides a limitation on retirement benefits for any retiree who first becomes a member of a public retirement system on or after January 1, 1980, as follows:

- a.) If the retiree does not receive social security benefits, his pension benefit cannot exceed 100% of his average final compensation.
- b.) If the retiree receives social security benefits, the sum of his pension benefit and his primary social security benefit cannot exceed 100% of his average final compensation.

Current statute also provides that the social security offset will only apply to benefits earned through a retiree's government employment and not to social security benefits earned through private employment. Further, the term "average final compensation" means the average of the member's earnings, excluding payments for accumulated leave, compensatory time, and overtime. Additionally, current statutes prohibit the "double dipping" of service credit in two retirement plans.

This section deletes all limitations on retirement benefits in current statute and replaces them with only one; that any retiree who first becomes a member of a public retirement plan on or after January 1, 1980, shall not receive a retirement benefit which exceeds 100% of his average final compensation. There is no social security offset.

Section 5-Definitions

Presently, members of the Florida Retirement System may purchase credit for past service, prior service and military service. This bill clarifies that:

- a.) the definition of "Past Service" as found in section 121.021(18), F.S., pertains principally to section 121.081(1), F.S., providing the conditions under which past service may be claimed and credited. Currently, the definition is very general and leads to misinterpretation.
- b.) the definition of "Prior Service" as defined in section 121.021(19)(a), F.S. pertains to non-contributory service and deletes the language requiring that this service be prior service after a member terminates employment. Therefore, the service will remain as creditable service as provided in 121.021(17)(a), F.S.. Section 121.021(19)(b), F.S. pertains to service earned prior to December 1, 1970, the date the Florida Retirement System was created. This section is often misinterpreted and needs to be clarified.
- c.) Additionally, a definition of "Termination of Employment" is being created. This will address the problem of members who attempt to begin receiving retirement benefits while continuing to work. To receive retirement benefits without terminating employment would be in conflict with the intent of the reemployment after retirement provisions amended in 1984, which allow a member to return to work full-time after one year of retirement.

Section 6-Actuarial Reviews

Presently, the Division of Retirement conducts an actuarial review of the Florida Retirement System every two years to determine the actuarial soundness of the System and to determine if contribution rates should be increased. The law currently requires that the report be presented to the Legislature prior to

the next legislative session. This amendment would require that the report be presented to the Legislature by February 1 prior to the legislative session. This amendment is offered to assure that all parties required to review and appropriate money for necessary funding will have adequate time to perform their tasks.

This section passed as part of Chapter 86-168, Laws of Florida, and was only enforceable through June 30, 1987.

Additionally, this section repeals the provisions of Chapter 112, F.S., which require that all increases in the unfunded liability resulting from experience losses or gains or supplemental retiree benefit increases must be amortized over a 15 year period. This means these increases will be amortized over a 30 year period as are other increases in the liabilities.

Section 7-Participation in the System

Presently, members of an existing retirement system who experience a break in service may transfer to the FRS upon reemployment or they may remain in the existing system. Some school boards are providing members transfer rights during the summer break which is not a break in service.

This section provides a break in service will be a 12 month period of time after termination.

Section 8-Special Risk Prior Service Credit

Presently, a member of the Highway Patrol Pension Plan, Chapter 321, F.S., who terminated employment and received a refund of contributions and later was reemployed under the Florida Retirement System, Chapter 121, F.S., may not receive retirement service credit toward normal special risk retirement age for this prior service under Chapter 321. A 1981 amendment to section 121.0515(6), F.S., currently allows a former member of the State and County Officers and Employees' Retirement System, Chapter 122, F.S., to apply any service which meets the FRS definition of special risk service toward normal special risk retirement age. This amendment will provide former Chapter 321 members with the same opportunity to claim prior service toward special risk retirement age as is currently provided to former Chapter 122 members.

Additionally, the bill provides special risk normal retirement coverage for correctional counselors in the Department of Corrections whose job description was changed, which resulted in their loss of special risk coverage for a period of years.

Section 9-ESOC Contribution Increase

This section revises the contribution rates of the Elected State Officer's Class of membership to reflect a graded increase in the contribution rates over a 5 year period as recommended in the actuarial study.

Section 10-Senior Management Contribution Increase

This section revises the contribution rate of the Senior Management Service Class of membership to reflect a graded increase in the contribution rate over a 5 year period as recommended in the actuarial study.

Additionally, this section provides that members of the special risk class who are promoted into a senior management position, will have the option of remaining in special risk or transferring to the senior management class of membership.

Section 11-Contribution Increases

This section revises the contribution rates of the Regular, Special Risk, and Special Risk Administrative Support Classes of membership to reflect a graded increase in the contribution rates over a 5 year period as recommended in the actuarial study.

Section 12-Past Service and Prior Service Credit

This section provides three amendments as follows:

- a.) Presently, when a local employer joins the Florida Retirement System it may purchase, or the employees may purchase, past service credit for all years of service prior to FRS membership. To purchase service after January 1, 1975, the employer or employee must pay contributions of 9 percent on gross salary received for each year claimed, plus compounded interest. This contribution rate is less than the current and former contribution rate for active members of the FRS.

This amendment requires that employers wishing to purchase past service must pay the FRS contribution rate in effect at the time the service was earned, for all past service claimed. With passage of this amendment, employers and employees purchasing past service will be paying the same contribution rate as was paid for all active FRS members at that time.

- b.) Presently, members of the FRS may purchase prior service (service on which no contributions were paid or for which a refund of contributions was made) after being employed as a member of the FRS or the optional retirement program for 12 continuous months (one year). The one year reemployment requirement is important to prevent abuse of refunds of

contributions, but it should not be applicable to service after January 1, 1975, when the system became employee non-contributory. Since employees cannot receive a refund of contributions for service that is employee non-contributory, they should not be required to work 12 continuous months in order to claim this service. Therefore, the amendments to section 121.081(2) and (2)(c) delete this requirement and the member retains the service indefinitely.

- c.) Presently, members of the FRS who wish to claim prior service for years in which they were not contributing members of a retirement system must pay 9 percent contributions, plus compound interest. This amendment would increase the contribution rate to the new actuarial rate of 14.38 percent.

Section 13 -Disability Retirement Benefits and Death Benefits

- a.) The amendment to the introductory paragraph is to make it clear retirement benefits will not be paid until a member has terminated employment as provided in the definition of terminated employment added under Section 4 of the bill.
- b.) Section 121.091(4)(a), F.S., provides that a member of the Florida Retirement System must have 10 years of creditable service to be eligible for other than in-line-of-duty disability benefits; except that a member who has less than 10 years of service, but had more than 5 years on July 1, 1980, will be eligible for FRS disability benefits if he "...is found not to have attained fully insured status for disability benefits under the federal Social Security Act..."

The reference to Social Security was intended to guarantee that members adversely affected by the increase from 5 years to 10 years of service for FRS disability eligibility, would be protected for disability coverage by either the FRS or Social Security. The Social Security Administration does not pay disability benefits to any retiree who is age 65 or older. These recipients automatically receive regular social security benefits. Therefore, it is technically impossible for anyone age 65 or older to become "fully insured for disability benefits."

This amendment provides that a member who is eligible for regular or disability benefits under social security will not be eligible for FRS disability benefits, unless he has 10 years of service. The amendment also contains language to make the July 1980 date easier to understand.

- c.) The third change under this section of the bill provides that a member will be considered a terminated member when he meets the definition as provided in 121.021(39).
- d.) The fourth change in this section relates to current law which allows the spouse of a deceased active FRS member to

purchase refunded service by paying the required contributions, plus 4 percent compounded interest. The amendment will require that the interest rate increase to 6.5 percent on and after July 1, 1975. This change will bring this section into line with other sections of Chapter 121 which already require 6.5 percent interest. Through an oversight this section was not changed when the rest of Chapter 121 was changed.

Section 14 -Leaves-of-Absence

Presently, members of the Florida Retirement System may purchase retirement service credit for leaves-of-absence up to 12 months at a time, not to exceed a total of 24 months during their career. This amendment will delete the 12 and 24-month limitations and replace them with a requirement that a member may purchase retirement credit for up to 2 work years of leave-of-absence credit.

Currently, if an FRS employer grants a leave-of-absence greater than 12 months, the member may only purchase retirement credit for 12 months of the leave. If, however, the employer grants a leave-of-absence for 12 months immediately followed by a second leave of 12 months, the member may purchase retirement credit for both leaves. A single leave is more cost efficient and equitable.

Additionally, section 121.121(3), F.S., currently specifies that an FRS member may purchase a maximum of 24 months of leave-of-absence credit during his career. For most employees this is equal to 2 work years. However, many school district, university system and community college employees receive a full year of retirement service credit for less than 12 months, usually 9 or 10 months. To grant 24 months of leave-of-absence credit to a 10-month member would total 2.40 years of service. This is an inequity to 12 month employees. The granting of a total of 2 work years of leave-of-absence credit is equitable to all members of the system.

Section 15 -State University System

Present statutes provide that certain positions within the State University System are eligible to participate in an optional retirement program. This section better defines which positions are eligible.

Section 16 -IFAS Supplemental Retirement Benefits

Presently, section 121.40, F.S. provides that retirees under the Institute of Food and Agricultural Sciences supplemental retirement program will receive a cost-of-living increase on their pension each July 1. This cost-of-living adjustment is based on the increase in the average Consumer Price Index (CPI)

during the 12-month period, April 1 through March 31, prior to the adjustment date, not to exceed 3 percent.

This amendment deletes the language providing for the annual increase to be based on the CPI and replaces it with a constant 3 percent as provided in section 121.101. The provisions are retroactive to July 1, 1987.

Senate Bill 24-B which passed during the second special session made these changes for retirement benefit recipients under section 121.101 F.S. This amendment provides the same benefits to those retirees under section 121.40.

The section also reduces the contribution rate of the Institute of Food and Agricultural Sciences (IFAS) supplemental plan as recommended in the actuarial study.

Section 17 provides the manner in which the cumulative retirement contribution rates will be computed in the event additional legislation is passed which requires an increase in the contribution rates.

Section 18-Study Committee

This section creates a joint legislative retirement study committee composed of six members (three house and three senate) to develop an appropriate policy regarding the manner in which retirement issues are handled by the Legislature to promote a state-administered retirement system which provides equitable benefit structure and is funded in a realistic and actuarially sound manner.

Section 19-Effective date

II. ECONOMIC IMPACT:

A. Public:

Since the Florida Retirement System is a noncontributory retirement plan, state and local employers will be required to absorb the entire cost of the increased retirement contributions specified in this bill. Members of the retirement system will not be required to pay any funds, except for those sections of the bill which require additional employee contributions to purchase additional service.

B. Government:

Section 14, Article 10, Constitution of the State of Florida, requires that increased retirement benefits be funded in an actuarially sound manner. The increased contribution rates provided in this bill are needed in order to comply with this provision.

The actuarial firm of Milliman & Robertson, Inc., has performed the valuation as required by statute and recommended an increase in the contribution rates for most classes of membership. The State Retirement Actuary has calculated the projected cost of implementing these new contribution rates.

The tables below show the savings for IFAS (Table II-1) and the cost of a graded increase with the 15 year amortization provisions repealed (Table II-2). The estimates are based upon a 10% per year growth in the employer payroll. The base used was the 1986-87 salaries as reported to the State Division of Retirement which were as follows:

<u>Membership Class</u>	<u>Salaries</u>
FRS - Regular	\$7,695,079,441
FRS - Senior Management	16,333,372
FRS - Special Risk	764,153,030
FRS - Special Risk Admin.	3,754,885
FRS - Elected State Officers	72,530,027
Teachers Retirement System	141,468,273
State & County Employees	5,473,124
Highway Patrol System	25,328
Total	<u>\$8,698,817,480</u>

TABLE II-1

**Decreased Employer Contributions
 (One Time Decrease IFAS)**

<u>Jan/89 - June/89</u> <u>(six months)</u>	<u>July/89 - June/90</u> <u>(twelve months)</u>
State \$ 17,000	State \$ 34,000
Local <u>0</u>	Local <u>0</u>
Total \$ <u>17,000</u>	Total \$ <u>34,000</u>

TABLE II-2

**Increased Employer Contributions
(Graded Increase with 15 year Amortization Repealed)**

Proposed Rates Effective January 1, 1989

<u>Jan/89 - June/89</u> <u>(six months)</u>	<u>July/89 - June/90</u> <u>(twelve months)</u>
State \$ 9,937,000	State \$ 20,884,000
Local 28,703,000	Local 60,314,000
Total \$ 38,640,000	Total \$ 81,198,000

Proposed Rates Effective January 1, 1990

<u>Jan/90 - June/90</u> <u>(six months)</u>	<u>July/90 - June/91</u> <u>(twelve months)</u>
State \$ 10,947,000	State \$ 23,139,000
Local 31,611,000	Local 66,834,000
Total \$ 42,558,000	Total \$ 89,973,000

Proposed Rates Effective January 1, 1991

<u>Jan/91 - June/91</u> <u>(six months)</u>	<u>July/91 - June/92</u> <u>(twelve months)</u>
State \$ 12,192,000	State \$ 25,438,000
Local 35,223,000	Local 73,473,000
Total \$ 47,415,000	Total \$ 98,911,000

Proposed Rates Effective January 1, 1992

<u>Jan/92 - June/92</u> <u>(six months)</u>	<u>July/92 - June/93</u> <u>(twelve months)</u>
State \$ 13,246,000	State \$ 27,795,000
Local 38,250,000	Local 80,273,000
Total \$ 51,496,000	Total \$108,068,000

Proposed Rates Effective January 1, 1993

<u>Jan/93 - June/93</u> <u>(six months)</u>	<u>July/93 - June/94</u> <u>(twelve months)</u>
State \$ 14,549,000	State \$ 30,553,000
Local 42,023,000	Local 88,248,000
Total \$ 56,572,000	Total \$118,801,000

III. STATE COMPREHENSIVE PLAN IMPACT:

None.

IV. COMMENTS:

As previously stated, the state is required to conduct an actuarial valuation on the FRS biennially. The next valuation will take place in 1989; two years into the current proposed graded rate increases. Therefore, the contribution rates as proposed by the actuaries and in this bill will probably never be fully implemented as proposed.

Prior to the 1989 valuation the state's consulting actuaries, Milliman & Robertson, Inc. will conduct an experience study (the last experience study was in 1985) on the FRS to fully examine all assumptions. Based on these new assumptions, the 1989 contribution will be proposed.

V. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:

Ron Poppell

Staff Director:

Ron Poppell

FINANCE & TAXATION:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Mike Peters

Staff Director:

Jim Zingale

SENATE APPROPRIATIONS SUBCOMMITTEE "A"

MEMORANDUM

TO: Senator James A. Scott, Chairman
Senate Appropriations Committee
201 Capitol
Tallahassee, Florida 32399-1100

FROM: Department of Administration

DATE: 5-16-88	COPY
Staff Review	
Forward to Chairman	reproduced by FLORIDA STATE ARCHIVES DEPARTMENT OF STATE R. A. GRAY BUILDING Tallahassee, FL 32399-0250
MAY 18 1988	
Copy Filed	Series <u>18</u> Carter <u>1802</u>

Following is the information requested on Bill No. SB 1343

SUMMARY OF BILL PURPOSES:

This bill repeals language in s. 121.031, F.S., that requires the net increase in the unfunded liability resulting from experience losses or gains or benefit increases to be amortized within 15 plan years. The bill also amends sections 112.363, 121.052, 121.055, 121.071, and 121.40, F.S., to present the historical and current required employer contribution rates in chart or table format. Present law presents current and some historical contribution rates in narrative format. Contribution rate changes, including the Health Insurance Subsidy contribution, will be effective January 1 instead of October 1 as has been customary. The contribution rate changes recommended in the 1987 actuarial valuation for the five classes of the FRS are implemented over a five-year period rather than all at once as has been done in the past.

AGENCY REQUIREMENTS TO ADMINISTER THE BILL PROVISIONS (EACH OF NEXT THREE YEARS), PERSONNEL AND FINANCIAL, AND SOURCE OF FUNDS: No additional funding will be necessary for the Department of Administration to administer the provisions of this bill. However the total retirement contributions for all members which are paid by the employer, will increase as noted below:

AMOUNT AND DISPOSITION OF ANY ANTICIPATED REVENUE COLLECTIONS (EACH OF NEXT THREE YEARS):

Revenue:	<u>1/89 - 6/89</u>	<u>7/89 - 6/90</u>	<u>7/90 - 6/91</u>	
STATE	\$10,379,866	\$21,701,732	\$23,871,405	(See attached analysis for further breakdown of special plans.)
LOCAL	<u>28,703,000</u>	<u>60,314,000</u>	<u>66,346,000</u>	
TOTAL	\$39,082,866	\$82,015,732	\$90,217,405	

EFFECT OF THE BILL ON LOCAL GOVERNMENT UNITS OF THE STATE:

Local government will be required to pay the increased contribution rates at a cost noted above.

OTHER COMMENTS OR SUGGESTIONS CONCERNING THE BILL:

This bill implements the contributions recommended by the consulting actuary to fund the retirement system in an actuarially sound manner.

<u>Fiscal Impact:</u>	<u>YES</u>	<u>NO</u>	<u>ESTIMATE</u>
Cost to D.O.A.....	<u>X</u>	_____	_____
Cost to Other Agencies.....	<u>X</u>	_____	_____
Cost to All Agencies.....	<u>X</u>	_____	<u>\$38,640,000*</u>
Fiscal Note Attached?.....	<u>X</u>	_____	_____
 <u>History:</u>	 <u>YES</u>	 <u>NO</u>	 <u>UNKNOWN</u>
Filed in Previous Years.....	_____	<u>X</u>	_____
Passed House.....	_____	_____	_____
Passed Senate.....	_____	_____	_____

*For the contribution rate changes for the five classes of FRS membership for the six-month period 1/89-6/89, assuming new unfunded actuarial accrued liabilities arising from experience losses or gains are amortized over 30 years, and assuming contribution changes graded over a five-year period.

Major Support..... _____

Major Opposition.... _____

Analyst Marcia Shama ⁵⁻³⁻⁸⁸ Division Director A. J. M. Mallick
 Date Completed 5-3-88 Date Reviewed 5-3-88

Recommended Position:

Support ✓ Oppose _____ No Position _____

Explanation: *This analysis is the same as the previously submitted analysis for PCB 88-5, which is now HB 1497.*

Reviewed By:	Name	Date	(Comments)
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ACTUARIAL STATEMENT

Division of Retirement

1. This bill complies with the requirements of Article X, Section 14 of the Constitution.
2. This bill complies with the provisions of Chapter 112, Part VII, Florida Statutes.
3. Explanation: This bill amends sections 112.363, 121.052, 121.055, 121.40, and 121.071, F.S., to present the historical and current required FRS contribution rates in chart format. Present law presents current and some historical contribution rates in narrative format. The bill also removes the requirement that net increases in the unfunded liability resulting from experience losses or gains be amortized within 15 plan years. The contribution rate changes recommended in the 1987 actuarial review are included in the bill and those for the five FRS classes are implemented over a five-year period.
4. Fiscal Note:

Increase in FRS Employer Contributions
(Assuming a graded basis and assuming the current 15 year
amortization period is amended to the 30 year period)

	<u>1/89 - 6/89</u> (Six Months)	<u>1/89 - 9/89</u> (Nine Months)	<u>7/89 - 6/90</u> (Twelve Months)
STATE	\$ 9,937,000	\$14,906,000	\$20,884,000
LOCAL	<u>28,703,000</u>	<u>43,054,000</u>	<u>60,314,000</u>
TOTAL	\$ 38,640,000	\$ 57,960,000	\$ 81,198,000

Decrease in IFAS Employer Contributions
(One Time Decrease)

	<u>1/89 - 6/89</u> (Six Months)	<u>7/89 - 6/90</u> (Twelve Months)
STATE	\$ 17,000	\$ 34,000
LOCAL	N/A	N/A
TOTAL	<u>(\$ 17,000)</u>	<u>(\$ 34,000)</u>

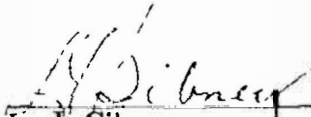
Increase in SUS - ORP Employer Contributions
(Assuming a graded basis and assuming the current 15 year
amortization period is amended to the 30 year period)

	<u>1/89 - 6/89</u> (Six Months)	<u>7/89 - 6/90</u> (Twelve Months)
STATE	\$ 425,500	\$ 851,000
LOCAL	N/A	N/A
TOTAL	\$ 425,500	\$ 851,000

Increase in SMSOAP Employer Contributions
(Assuming a graded basis and assuming the current 15 year
amortization period is amended to the 30 year period)

	1/89 - 6/89 (Six Months)	7/89 - 6/90 Twelve Months)
STATE	\$ 366	\$ 732
LOCAL	<u>N/A</u>	<u>N/A</u>
TOTAL	<u>\$ 366</u>	<u>\$ 732</u>

The estimated contribution to the Health Insurance Trust Fund based on a rate of .24% for the 15 month period October 1, 1987 through December 31, 1988 will exceed the disbursements for calendar year 1988 and, consequently, there is no need to implement the increase in contribution rate, scheduled for October 1, 1988, until January 1, 1989.



 L. J. Gibney
 State Retirement Actuary

 May 3, 1988
 Date

STAFF REVIEW OF COLLECTIVE BARGAINING	
Staff Review:	Forward to Chairman:
JUN 3 1988	
Action:	Copy Filed in: Retrospect, p. 10000, 10000

DEPARTMENT OF ADMINISTRATION **LEGISLATIVE ANALYSIS**

Sponsor: Committee on Appropriations and **Bill Number** CS/HB 1497

Retirement, and Representative Martinez

Subject: Contribution Rates & SMSC Membership **Companion** SB 1343

Department Position

Support Oppose No Position

Secretary's Approval of Position Initial

BILL SUMMARY AND ANALYSIS

Summary:

This committee substitute by the Appropriations Committee makes only one change to the bill: it amends s. 121.055, F.S., to allow **appointed** district school superintendents and community college presidents to participate in the FRS Senior Management Service Class. Alternatively, they may withdraw from the FRS and participate in an annuity program provided by the employer. Participation in the Senior Management Service Optional Annuity Program is prohibited.

Analysis:

Currently there are 28 community college presidents and 18 appointed school superintendents who would become members of the SMSC, or alternatively an annuity program offered by their employer. These 46 positions are **not** in the Senior Management Service personnel classification of state employees. All other employees eligible for the SMSC are state employees in the Senior Management Service. Membership in the SMSC would be retroactive to February 1, 1987, when the class was created.

Recommended Technical Correction

This bill specifies no time limit for members to choose to withdraw from the FRS and participate in their employer's annuity program. Current law provides definite time limits for other SMSC members to elect the Senior Management Service Optional Annuity Program and for certain Elected State Officers' Class members to withdraw from the FRS.

Without a statutory deadline, withdrawal may have to be effective prospectively, not retroactively. For example, a member initially employed in December 1988 would be enrolled in the SMSC. Should he decide in July, 1990 to withdraw and participate in his employer's annuity program, he would have 20 months of service credit in the FRS.

We recommend a specified time limit, perhaps 90 days, for the chance to withdraw.

Collective Bargaining Impact: Unknown

Recommended Position:

Support _____ Oppose ✓ No Position _____

Explanation: We oppose the amendment to the bill (not the bill itself) because it singles out appointed school super. and ^{community} college presidents for special treatment — allowing them to opt out of FRS.

Reviewed By:

Name

Date

(Comments)




ACTUARIAL STATEMENT
Division of Retirement

1. This bill complies with the requirements of Article X, Section 14 of the Constitution.
2. This bill complies with the provisions of Chapter 112, Part VII, Florida Statutes.
3. Explanation:

This committee substitute allows appointed school superintendents and community college presidents to be in the SMSC or to withdraw from the FRS and participate in an annuity program offered by the employer.

4. Fiscal Note:

There would be no fiscal impact on the Florida Retirement System Trust Fund. The cost to community colleges and school districts with appointed superintendents will be the difference between the contribution rates for the Regular Class and the Senior Management Service Class.


L. J. Gibney
State Retirement Actuary
May 30, 1988
Date

Chairman	
MAY 16 1988	
Action.	Copy Filed in Retirement Division of Retirement Barg
REVISED	

BILL NUMBER SB 1343

**ACTUARIAL STATEMENT
Division of Retirement**

1. This bill complies with the requirements of Article X, Section 14 of the Constitution.
2. This bill complies with the provisions of Chapter 112, Part VII, Florida Statutes.
3. Explanation: This bill amends sections 112.363, 121.052, 121.055, 121.40, and 121.071, F.S., to present the historical and current required FRS contribution rates in chart format. Present law presents current and some historical contribution rates in narrative format. The bill also removes the requirement that net increases in the unfunded liability resulting from experience losses or gains be amortized within 15 plan years. The contribution rate changes recommended in the 1987 actuarial review are included in the bill and those for the five FRS classes are implemented over a five-year period.
4. Fiscal Note:

Increase in FRS Employer Contributions
(Assuming a graded basis and assuming the current 15 year amortization period is amended to the 30 year period)

	1/89 - 6/89 (Six Months)	7/89 - 6/90 (Twelve Months)	7/90 - 6/91 (Twelve Months)
STATE	\$ 9,937,000	\$ 20,884,000	\$ 22,972,000
LOCAL	<u>28,703,000</u>	<u>60,314,000</u>	<u>66,346,000</u>
TOTAL	<u>\$ 38,640,000</u>	<u>\$ 81,198,000</u>	<u>\$ 89,318,000</u>

Decrease in IFAS Employer Contributions
(One Time Decrease)

	1/89 - 6/89 (Six Months)	7/89 - 6/90 (Twelve Months)	7/90 - 6/91 (Twelve Months)
STATE	(\$ 17,000)	(\$ 34,000)	(\$ 37,400)
LOCAL	N/A	N/A	N/A
TOTAL	<u>(\$ 17,000)</u>	<u>(\$ 34,000)</u>	<u>(\$ 37,400)</u>


Increase in SUS - ORP Employer Contributions
(Assuming a graded basis and assuming the current 15 year amortization period is amended to the 30 year period)

	1/89 - 6/89 (Six Months)	7/89 - 6/90 (Twelve Months)	7/90 - 6/91 (Twelve Months)
STATE	\$ 425,500	\$ 851,000	\$ 936,000
LOCAL	N/A	N/A	N/A
TOTAL	<u>\$ 425,500</u>	<u>\$ 851,000</u>	<u>\$ 936,000</u>

**Increase in SMSOAP Employer Contributions
 (Assuming a graded basis and assuming the current 15 year
 amortization period is amended to the 30 year period)**

	1/89 - 6/89 (Six Months)	7/89 - 6/90 Twelve Months)	7/90 - 6/91 (Twelve Months)
STATE	\$ 366	\$ 732	\$ 805
LOCAL	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
TOTAL	\$ 366	\$ 732	\$ 805

The estimated contribution to the Health Insurance Trust Fund based on a rate of .24% for the 15 month period October 1, 1987 through December 31, 1988 will exceed the disbursements for calendar year 1988 and, consequently, there is no need to implement the increase in contribution rate, scheduled for October 1, 1988, until January 1, 1989.



 L. J. Gibney
 State Retirement Actuary
 May 9, 1988

 Date

1. CS/SB 1343 - "MUST PASS" LEGISLATION - KEEPS FRS FUNDED IN AN
ACTUARIALLY SOUND MANNER.

CURRENT LAW REQUIRES THAT AN ACTUARIAL REVIEW OF THE FLORIDA RETIREMENT SYSTEM (FRS) BE UNDERTAKEN EVERY TWO YEARS. THE MOST RECENT ACTUARIAL REVIEW OF THE FRS REFLECTS THE FINANCIAL CONDITION OF THE FRS AS OF JUNE 30, 1987, AND INDICATES THAT THE UNFUNDED LIABILITY OF THE FRS HAS RISEN DRAMATICALLY TO \$10.6 BILLION SINCE THE 1985 ACTUARIAL REVIEW AT WHICH TIME THE FRS'S UNFUNDED LIABILITY STOOD AT \$7.4 BILLION. THIS LARGE INCREASE IN THE FRS'S UNFUNDED LIABILITY EQUATES TO A SIGNIFICANT INCREASE IN THE CURRENT RETIREMENT CONTRIBUTION RATES JUST TO ADEQUATELY FUND THE CURRENT LEVEL OF BENEFITS. IF THE LEGISLATURE WERE TO IMPLEMENT THE ENTIRE REQUIRED CONTRIBUTION RATE INCREASES NEXT FISCAL YEAR, THE FISCAL IMPACT WOULD BE OVER \$402 MILLION.

CS/SB 1343, HOWEVER, "PHASES-IN" THE REQUIRED CONTRIBUTION RATE INCREASES OVER THE NEXT FIVE YEARS SO AS TO LESSEN THE FISCAL IMPACT OF MAKING THE ADDITIONAL CONTRIBUTION RATE INCREASES ALL AT ONCE. ADDITIONALLY, THE BILL ADVANCES THE TRADITIONAL EFFECTIVE DATE OF CONTRIBUTION RATE INCREASES FROM OCTOBER 1 OF THE UPCOMING FISCAL YEAR TO JANUARY 1, OF THE UPCOMING FISCAL YEAR. BY CHANGING THE EFFECTIVE DATE OF THE CONTRIBUTION RATE INCREASES TO JANUARY 1, 1989,

THE FISCAL IMPACT OF THE BILL FOR FY 88/89 IS \$38 MILLION, WITH APPROXIMATELY ONE-FOURTH OF THAT COMING FROM THE STATE. THE STAFF ANALYSIS FOR THE BILL GIVES A COMPLETE BREAKDOWN OF THE BILL'S FISCAL IMPACT.

ADDITIONALLY, CS/SB 1343 INCORPORATES APPROXIMATELY 18 DIFFERENT MISCELLANEOUS RETIREMENT PROVISIONS WHICH ARE PRIMARILY OF A TECHNICAL AND HOUSEKEEPING NATURE. NONE OF THESE MISCELLANEOUS RETIREMENT PROVISIONS HAVE ANY FISCAL IMPACT UPON THE FRS TRUST FUND.

(WITHDRAW CS/HB 1497 WHICH IS SIMILAR TO CS/SB 1343 FROM HOUSE MESSAGES, AMEND BY STRIKING EVERYTHING AFTER THE ENACTING CLAUSE AND PUTTING ON OUR BILL AND SENDING IT BACK TO HOUSE)

COPY

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 FLORIDA STATE ARCHIVES
 DEPARTMENT OF STATE
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1 A bill to be entitled
 2 An act relating to retirement; amending s.
 3 112.363, F.S.; revising the effective date of
 4 contribution rate increases with respect to the
 5 retiree health insurance subsidy; amending s.
 6 121.031, F.S.; repealing language requiring
 7 benefit increases to be amortized over a 15-
 8 year period; amending s. 121.052, F.S.;
 9 revising contribution rates applicable to
 10 members of the Elected State Officers' Class;
 11 providing a contribution rate for the Retiree
 12 Health Insurance Subsidy; amending s. 121.055,
 13 F.S.; revising the contribution rate applicable
 14 to members of the Senior Management Service
 15 Class; providing a contribution rate for the
 16 retiree health insurance subsidy; amending s.
 17 121.071, F.S.; revising contribution rates
 18 applicable to members of the Regular Class,
 19 Special Risk Class, and Special Risk
 20 Administrative Support Class; providing a
 21 contribution rate for the retiree health
 22 insurance subsidy; amending s. 121.40, F.S.;
 23 revising the contribution rate applicable to
 24 Institute of Food and Agricultural Science
 25 Supplemental Retirement Act; amending s.
 26 112.1904, F.S.; providing clarifying language
 27 to provide that death benefits are provided to
 28 state attorney investigators; amending s.
 29 112.362, F.S.; revising the formula for cost-
 30 of-living adjustments to the minimum benefit
 31 adjustment; amending s. 121.021, F.S.;

1 clarifying the definition of "past service,"
2 changing the definition of "prior service," and
3 defining "termination"; amending s. 121.031,
4 F.S.; requiring actuarial reviews of the
5 Florida Retirement System to be presented to
6 the Legislature by a certain date; amending s.
7 121.0515, F.S.; permitting certain special risk
8 members to receive special risk credit for
9 prior service; amending s. 121.081, F.S.;
10 requiring the purchase of past service credit
11 at the contribution rate in effect at the time
12 the service was earned; deleting the 12
13 continuous month reemployment provision for
14 prior service; revising the contribution rate
15 for the purchase of certain prior service;
16 amending s. 121.091, F.S.; providing that
17 benefits may not be paid under the Florida
18 Retirement System until a member has terminated
19 employment; revising the criteria for
20 eligibility to qualify for disability benefits;
21 revising the contribution rate for purchase by
22 a spouse of a deceased member's refunded
23 service; allowing certain judges to receive a
24 salary in addition to retirement benefits
25 during the 12 months subsequent to retirement;
26 amending s. 121.121, F.S.; providing new
27 limitations for authorized leaves of absence;
28 amending s. 121.35, F.S.; permitting employees
29 of the State University System Executive
30 Service to participate in the Optional
31 Retirement Program; amending s. 121.40, F.S.;

1 revising the formula for cost-of-living
 2 adjustments for Institute of Food and
 3 Agricultural Sciences supplemental benefits;
 4 amending s. 112.65, F.S.; providing that
 5 certain limitations on benefits do not apply to
 6 supplemental benefits or cost-of-living
 7 adjustments; amending s. 121.051, F.S.;
 8 revising conditions under which certain
 9 employees may transfer to the Florida
 10 Retirement System; amending s. 121.055, F.S.;
 11 permitting optional participation in the Senior
 12 Management Class for certain employees;
 13 creating a Joint Legislative Retirement Study
 14 Committee; amending s. 121.021, F.S.; revising
 15 the definition of the term "prior service" to
 16 include service as an employee of a state
 17 executive committee; amending s. 121.081, F.S.;
 18 conforming a cross-reference; amending s.
 19 121.052, F.S.; providing for the Elected State
 20 Officers' Class to include certain elected
 21 mayors; specifying intent with respect to the
 22 contribution rates specified in this act;
 23 providing an effective date.

24
 25 Be It Enacted by the Legislature of the State of Florida:

26
 27 Section 1. Paragraph (b) of subsection (8) of section
 28 112.363, Florida Statutes, is amended to read:

29 112.363 Retiree health insurance subsidy.--

30 (8) CONTRIBUTIONS.--For purposes of funding the
 31 insurance subsidy provided by this section:

1 ~~annual cost of living adjustment exceed 3 percent for any~~
 2 ~~annual adjustment date.~~

3 ~~(b)--For those retired participants and annuitants who~~
 4 ~~qualify for an initial cost of living adjustment within 12~~
 5 ~~months subsequent to the date on which supplemental benefits~~
 6 ~~have commenced pursuant to this section, the percentage change~~
 7 ~~in the average cost of living index shall be determined by~~
 8 ~~interpolation from the average cost of living index for the~~
 9 ~~two nearest adjustment dates.~~

10 Section 17. Section 112.65, Florida Statutes, is
 11 amended to read:

12 112.65 Limitation of benefits.--

13 (1) The normal retirement benefit or pension payable
 14 to a retiree who becomes a member of any retirement system or
 15 plan and who has not previously participated in such plan, on
 16 or after January 1, 1980, shall not exceed 100 percent of his
 17 average final compensation. However, nothing contained in
 18 this section shall apply to supplemental retirement benefits
 19 or to pension increases attributable to cost-of-living
 20 increases or adjustments. As used in this section, the term
 21 "average final compensation" means the average of the member's
 22 earnings, over a period of time which the governmental entity
 23 has established by statute, charter, or ordinance. ~~be limited~~
 24 ~~in the following manner:~~

25 ~~(a)--If such member does not receive social security~~
 26 ~~benefits, his pension benefit shall not exceed 100 percent of~~
 27 ~~his average final compensation.~~

28 ~~(b)--If such member receives social security benefits,~~
 29 ~~the sum of the member's pension benefit and the primary social~~
 30 ~~security benefit the member receives shall not exceed 100~~
 31 ~~percent of the member's average final compensation.~~

1 ~~(c)--Nothing contained in this section shall apply to~~
 2 ~~supplemental retirement benefits or to pension increases~~
 3 ~~attributable to cost-of-living increases or adjustments.~~

4 ~~(d)--As used in this section, the term "social security~~
 5 ~~benefits" shall not apply to social security benefits earned~~
 6 ~~exclusively through nongovernmental employment or by a~~
 7 ~~surviving beneficiary.~~

8 ~~(e)--As used in this section, the term "average final~~
 9 ~~compensation" means the average of the member's earnings,~~
 10 ~~excluding payments for accumulated leave, compensatory time,~~
 11 ~~and overtime, over a period of time which the governmental~~
 12 ~~entity has established by statute, charter, or ordinance.~~

13 (2) No member of a retirement system or plan covered
 14 by this part who is not now a member of such plan shall be
 15 allowed to receive a retirement benefit or pension which is in
 16 part or in whole based upon any service with respect to which
 17 the member is already receiving, or will receive in the
 18 future, a retirement benefit or pension from another
 19 retirement system or plan; provided that this restriction does
 20 not apply to social security coverage or benefits or federal
 21 benefits under chapter 67, Title 10, U.S. Code.

22 Section 18. Paragraph (c) of subsection (1) of section
 23 121.051, Florida Statutes, is amended to read:

24 121.051 Participation in the system.--

25 (1) COMPULSORY PARTICIPATION.--

26 (c)1. After June 30, 1983, a member of an existing
 27 system who is reemployed after terminating his employment
 28 shall have at the time of reemployment the option of selecting
 29 to remain in the existing retirement system or to transfer to
 30 the Florida Retirement System. Failure to submit such
 31 selection in writing to the Division of Retirement within 6

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>Jones</u>	<u>Jones</u>	1. <u>PRCB</u>	<u>Favorable</u>
2. <u>Revell</u>	<u>Smith</u>	2. <u>AP</u>	<u>Fav/CS</u>
3. _____	_____	3. _____	_____
4. _____	_____	4. _____	_____

SUBJECT:

FRS; Contribution Rates;
Miscellaneous Provisions

BILL NO. AND SPONSOR:

CS/SB 1343 by the Committee on
Appropriations and Senator Hair

I. SUMMARY:

A. Present Situation:

1. Background:

The Florida Retirement System (FRS) is a noncontributory defined benefit pension plan in which all state, county, and school district employees, and many municipal and special district employees, participate. (The FRS now has almost 450,000 active members and 95,000 retirees.) Funding of the FRS comes exclusively from employer contributions set by law as a fixed percentage of payroll, with different percentages applicable to various groups of employees within the FRS.

Pursuant to Article X, Section 14, of the State Constitution, and its implementing statute, s. 112.63, F.S., the FRS is required to be funded on a sound actuarial basis. This requirement is an expression of the policy that contributions to the FRS should be adequate to cover the anticipated costs of benefits so as to avoid passing on to future generations of taxpayers the cost of funding past and current retirees' benefits. To assure that the FRS (and other public pension systems) would meet this goal, s. 112.64 was enacted in 1978 to require that contributions to the retirement system be sufficient to meet the normal cost of the retirement system and to amortize the unfunded liability (due to previous underfunding) within 40 plan years. However, a 30-year amortization schedule had already been established for the FRS in 1977.

Section 112.63 was also enacted in 1978 to require triennial actuarial valuations to monitor the adequacy of the system's funding and to ensure that the amortization schedule is being met and that normal costs are being covered. As a further safeguard, s. 112.658 was enacted in 1979 to require the Auditor General to conduct periodic performance audits of the FRS and the actuarial valuations performed thereon. Section 121.031(3), F.S., also provided for actuarial valuations every three years, but was amended in 1984 to provide valuations every two years with any increase in the unfunded liability arising from experience losses or gains or supplemental retiree benefit increases to be amortized within 15 plan years. The last complete actuarial valuation of the FRS was conducted in 1985.

Many factors must be taken into consideration in the determination of the level of incremental funding necessary to meet the long-term retirement plan funding requirements. First, the overall plan liabilities, consisting of the total potential liability for benefits must be determined. Potential liability for benefits is dependent upon projections of the number of employees who will actually

receive benefits under the plan, the life expectancies of the employees, the salaries of employees, and other demographic factors. Offsetting these liabilities is the value of the assets of the retirement fund and projections regarding the real rate of investment return on those assets. Basically, the difference between potential liabilities and the assets to date determine the amount of contributions required.

The above projections constitute what are known as the actuarial assumptions, and, by necessity, these must be long-term projections since meeting the 15-year and 30-year amortization schedules is dependent upon them. No projection is going to be accurate over a 15-year or 30-year span; therefore, it is necessary that periodic actuarial valuations be conducted to assess the degree to which the actuarial assumptions are holding true with actual experience. If the assumptions have proven inaccurate (resulting in actuarial gains or losses), the assumptions are revised and the whole system must be rebalanced to meet the funding goals (and cover the actuarial gains or losses) with a resulting decrease or increase in contribution rates.

2. Results of the 1987 Biennial Actuarial Valuation:

Milliman & Robertson, Inc., (M&R) the consulting actuaries to the Division of Retirement, performed the biennial actuarial valuation of the FRS. This was the first valuation by this firm. All previous valuations of the system have been performed by the actuarial firm of Tillinghast, Nelson & Warren, Inc.

The 1987 valuation revealed that the unfunded accrued actuarial liability has risen substantially since the 1985 valuation, primarily due to a change in the investment return assumption from 9 percent to 8 percent and a large actuarial loss during the past two years. Consequently, Milliman & Robertson has recommended that the retirement contribution rates be increased for most classes of membership. The new contribution rates would be implemented effective January 1, 1989 as follows:

TABLE I-1

Level Contribution Rate Adjustments

<u>Membership Class</u>	<u>Current Rate</u>	<u>Adjustment</u>	<u>New Rate</u>
Regular	13.14%	+3.67%	16.81%
Special Risk	15.11%	+3.92%	19.03%
Special Risk	15.44%	-2.50%	12.94%
Administrative			
Judicial	20.94%	+7.71%	28.65%
Cabinet	11.50%	+10.15%	21.65%
Legislators	11.50%	+10.15%	21.65%
Attorneys	11.50%	+10.50%	21.65%
County Elected	17.19%	+6.05%	23.24%
Officers			
Senior Management	13.88%	+4.98%	18.86%

Because of the tremendous increase in the combined contribution rates (see Table II-1), M&R has proposed a graded increase in the rates. The graded increase has been proposed for two reasons:

- a. To minimize the disruption of the budgeting process which would result from a single change in the rates; and
- b. To allow time for a thorough analysis of the actuarial assumptions, whose imprecision may have led to the volatility in the rates.

Milliman and Robertson, Inc. has also indicated the contribution rates could be further reduced by repealing the provisions in Chapter 121 requiring that experience gains and losses must be amortized over a 15-year period. Table I-2 shows the proposed contribution increases on a graded basis for the next five years with the 15-year amortization provisions repealed.

TABLE 1-2

Graded Contribution Rate Adjustments
(15 year Amortization Repealed)

	<u>Regular</u>	<u>Special Risk</u>	<u>Special Risk Admin.</u>	<u>Judicial</u>	<u>Cabinet Legislative Attorneys</u>	<u>County Elected Officers</u>	<u>Senior Management</u>
Current	13.14%	15.11%	15.44%	20.94%	11.50%	17.19%	13.88%
Adjust.	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	1.07%
1989	13.90%	15.90%	14.76%	22.58%	13.70%	18.44%	14.95%
Adjust.	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1990	14.66%	16.70%	14.09%	24.22%	15.91%	19.71%	16.04%
Adjust.	+.77%	+.81%	-.68%	+1.65%	+2.21%	+1.26%	+1.08%
1991	15.43%	17.51%	13.41%	25.87%	18.12%	20.97%	17.12%
Adjust.	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1992	16.19%	18.31%	12.74%	27.51%	20.33%	22.24%	18.21%
Adjust.	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	+1.07%
1993 & thereafter	16.95%	19.10%	12.06%	29.15%	22.53%	23.49%	19.28%

NOTE: All of the above contribution rate adjustments would take effect on January 1, of the designated year.

3. The Performance Audit:

Section 112.658, F.S., requires the Auditor General to determine the compliance of the Florida Retirement System with the Florida Protection of Employee Retirement Benefits Act, Chapter 112, Part VII, F.S. The purpose of the most recent audit was to review the 1987 Actuarial Valuation of the Florida Retirement System and determine its compliance with the reporting requirements specified in sections 112.63 and 121.031, F.S. The Auditor General's objectives were:

- a. To determine if the valuation was made using generally accepted actuarial procedures;
- b. To review assumptions used in the valuation to assess their reasonableness and effect on the valuation's results; and
- c. To determine if progress has been made in improving the funding status of the Florida Retirement System.

The performance audit was conducted by the Office of the Auditor General with the assistance of a consulting

actuary, Buck Consultants, Inc. The audit resulted in the following major findings (shown in bold type) and recommendations (see Auditor General's Report for complete details):

- a. **The 1987 Actuarial Valuation was made with more conservative assumptions than were used in prior valuations.** The audit found that Milliman & Robertson agreed with previous audits that prior valuations were made with optimistic economic assumptions, the use of which resulted in large, unexpected experience losses and contributed to increases in the FRS unfunded actuarial accrued liability. While the use of more conservative economic assumptions should reduce the likelihood that the State will incur large experience losses and resulting increases in the unfunded liability in the future, some of the changes in assumptions were not specifically reported. Hence, the Auditor General recommended the Division of Retirement ensure that future actuarial valuations clearly disclose the effect of changing assumptions from previous valuations.
- b. **The 1987 Actuarial Valuation used a method that did not even out year-to-year fluctuations in the market value of common stock.** The method used to value fixed income assets reduced fluctuations in asset values, but may not comply with statutory requirements. The 1985 actuarial valuation was made using a five-year averaging methodology for valuing system assets, consistent with the method referred to in subsection 121.031(3)(a), F.S. The 1987 valuation used a methodology for valuing equities that would not reduce year-to-year fluctuations in market values. The value of common stock reported in the 1987 actuarial valuation was based on average market values over the 12 months preceding the valuation date. Additionally, in the 1985 valuation, the FRS fixed income assets were valued on an amortized cost basis. However, they were not valued on this basis in the 1987 valuation. The method used resulted in fixed income assets being valued at approximately \$293 million and \$233 million higher than if valued on a market or amortized cost basis. The use of this method reduced the size of the FRS unfunded actuarial accrued liability, and the estimated contribution rates. The Auditor General recommended that the Division of Retirement and its actuaries review the methods used to determine the value of equity and fixed assets and adopt a new method for equities that will generate less volatile values over a period of years and evaluate whether the method for fixed assets should be used in the future.
- c. **The 1987 Actuarial Valuation included measures of the system's funding status, but did not report the trend since the last valuation.** The Legislature needs such information to evaluate funding progress and the ability of the system to cover pension liabilities. Therefore, the Auditor General recommended that the Division of Retirement ensure that future actuarial valuations of the FRS consistently report trends in fund solvency across actuarial valuations.

As part of their review, the Auditor General's consulting actuaries, Buck Consultants, Inc., also studied Milliman & Robertson's proposal to implement a graded contribution rate increase over the next five years. They agreed the graded approach seems to be the only practical approach, considering the uncertainty of the current contribution rates and the fact they may have been too low. Buck did

point out, however, that there may be legal considerations to this approach, although they did not find any prohibition.

B. Effect of Proposed Changes:

The bill addresses several sections of statutes necessary to revise the retirement contribution rates. Additionally, the bill substantially revises the form in which the contribution rates are shown from a paragraph format to a chart format to provide easier tracking of rate changes. The bill also changes the effective date of the contribution rate increases from the traditional date of October 1 to a new date of January 1. This was done to give FRS employers extra time to prepare for the increased payments and to make it easier on employers in processing W-2 forms at the end of each fiscal year. The following is a section by section summary of the bill:

Section 1 - Retirees' Health Insurance Subsidy Trust Fund

Changes the effective date of the increased employer contributions of .24 percent to fund the Retiree Health Insurance Subsidy Trust Fund as provided last session in Chapter 87-373, Laws of Florida. The effective date is changed from October 1, 1988 to January 1, 1989 to coincide with the effective date of the rate changes proposed in this bill. The change saves approximately \$6 million to \$8 million.

Section 2 - Amortization of Actuarial Losses

Repeals the provisions of Chapter 112, F.S., which require that all increases in the unfunded liability resulting from experience losses or gains or supplemental retiree benefit increases must be amortized over a 15-year period. This means these increases will be amortized over a 30-year period as are other increases in the liabilities. The change saves approximately \$34 million over the course of the 5-year graded increase.

Section 3 - Contribution Rates for Elected State Officers' Class

Revises the contribution rates of the Elected State Officer's Class of membership effective January 1, 1989 to reflect a graded increase in the contribution rates over a 5-year period as recommended in the actuarial study.

Section 4 - Contribution Rates for Senior Management Service Class

Revises the contribution rate of the Senior Management Service Class of membership effective January 1, 1989 to reflect a graded increase in the contribution rate over a 5-year period as recommended in the actuarial study.

Section 5 - Contribution Rates for Regular and Special Risk Classes

Revises the contribution rates of the Regular, Special Risk, and Special Risk Administrative Support Classes of membership effective January 1, 1989 to reflect a graded increase in the contribution rates over a 5-year period as recommended in the actuarial study.

Section 6 - Contribution Rates IFAS Supplemental Retirement Plan

Reduces the contribution rate of the Institute of Food and Agricultural Sciences (IFAS) supplemental plan effective January 1, 1989 as recommended in the actuarial study.

Section 7 - Law Enforcement Death Benefits

Chapter 87-143, Laws of Florida, which passed last session was to provide certain death benefits to investigators of the State Attorney's Office and the Public Defender's Office. The language has been interpreted as also applying to state attorneys and assistant state attorneys. This amendment clarifies that only the investigators are entitled to the death benefits as provided to law enforcement officers killed in the line of duty.

Section 8 - Minimum Benefit Provisions

Presently, s. 112.362, F.S., provides that the dollar factors used in determining the minimum benefits will increase each July 1 by an amount based on the increase in the average Consumer Price Index (CPI) during the 12-month period, April 1 through March 31, prior to the adjustment date, not to exceed three percent.

This amendment replaces the CPI language with a constant three percent increase.

Senate Bill 24-B which passed during the second Special Session made these changes for retirement benefit recipients under s. 121.101, F.S. This amendment provides the same benefits to those retirees under Chapter 112. The amendment is retroactive to July 1, 1987, the same as SB 24-B.

Section 9 - Definitions

Presently, members of the Florida Retirement System may purchase credit for past service, prior service and military service. This bill clarifies that:

- (1) The definition of "past service" as found in s. 121.021(18), F.S., pertains principally to s. 121.081(1), F.S., providing the conditions under which past service may be claimed and credited. Currently, the definition is very general and leads to misinterpretation.
- (2) The definition of "prior service" as defined in s. 121.021(19)(a), F.S., pertains to non-contributory service and deletes the language requiring that this service be prior service after a member terminates employment. Therefore, the service will remain as creditable service as provided in s. 121.021(17)(a), F.S. Section 121.021(19)(b), F.S., pertains to service earned prior to December 1, 1970, the date the Florida Retirement System was created. This section is often misinterpreted and needs to be clarified.
- (3) Additionally, a definition of "termination of employment" is being created. This will address the problem of members who attempt to begin receiving retirement benefits while continuing to work. To receive retirement benefits without terminating employment would be in conflict with the intent of the reemployment after retirement provisions amended in 1984, which allow a member to return to work full-time after one year of retirement.

Section 10 - Actuarial Reviews

Presently, the Division of Retirement conducts an actuarial review of the FRS every two years to determine the actuarial soundness of the System and to determine if contribution rates should be increased. The law currently requires that the report be presented to the Legislature prior to the next legislative session. This amendment would require that the report be presented to the Legislature by February 1 prior to the legislative session. This amendment is offered to assure

that all parties required to review and appropriate money for necessary funding will have adequate time to perform their tasks.

This section passed as part of Chapter 86-168, Laws of Florida, and was only enforceable through June 30, 1987.

Section 11 - Special Risk Prior Service Credit

Presently, a member of the Highway Patrol Pension Plan, Chapter 321, F.S., who terminated employment and received a refund of contributions and later was reemployed under the FRS, Chapter 121, F.S., may not receive retirement service credit toward normal special risk retirement age for this prior service under Chapter 321. A 1981 amendment to s. 121.0515(6), F.S., currently allows a former member of the State and County Officers' and Employees' Retirement System, Chapter 122, F.S., to apply any service which meets the FRS definition of special risk service toward normal special risk retirement age. This amendment will provide former Chapter 321 members and persons employed as correctional counselors between December 1, 1970 and September 30, 1979 with the same opportunity to claim prior service toward special risk retirement age as is currently provided to former Chapter 122 members.

Section 12 - Past Service and Prior Service Credit

This section provides three amendments as follows:

- (1) Presently, when a local employer joins the Florida Retirement System it may purchase, or the employees may purchase, past service credit for all years of service prior to FRS membership. To purchase service after January 1, 1975, the employer or employee must pay contributions of nine percent on gross salary received for each year claimed, plus compounded interest. This contribution rate is less than the current and former contribution rate for active members of the FRS.

This amendment requires that employers or employees wishing to purchase past service must pay the FRS contribution rate in effect at the time the service was earned, for all past service claimed. With passage of this amendment, employers and employees purchasing past service will be paying the same contribution rate as was paid for all active FRS members at that time.

- (2) Presently, members of the FRS may purchase prior service (service on which no contributions were paid or for which a refund of contributions was made) after being employed as a member of the FRS or the optional retirement program for 12 continuous months (one year). The one year reemployment requirement is important to prevent abuse of refunds of contributions, but it should not be applicable to service after January 1, 1975, when the system became employee non-contributory. Since employees cannot receive a refund of contributions for service that is employee non-contributory, they should not be required to work 12 continuous months in order to claim this service. Therefore, the amendments to s. 121.081(2) and (2)(c) delete this requirement and the member retains the service indefinitely.
- (3) Presently, members of the FRS who wish to claim prior service for years in which they were not contributing members of a retirement system must pay nine percent contributions, plus compound interest. This amendment would increase the contribution rate to the new actuarial rate of 14.43 percent.

Section 13 - Disability Retirement Benefits, Death Benefits and Reemployment Limitations

- (1) The amendment to the introductory paragraph is to make it clear retirement benefits will not be paid until a member has terminated employment as provided in the definition of terminated employment added under Section 4 of the bill.
- (2) Section 121.091(4)(a), F.S., provides that a member of the FRS must have ten years of creditable service to be eligible for other than in-line-of-duty disability benefits; except that a member who has less than 10 years of service, but had more than five years on July 1, 1980, will be eligible for FRS disability benefits if he "...is found not to have attained fully insured status for disability benefits under the federal Social Security Act...."

The reference to Social Security was intended to guarantee that members adversely affected by the increase from five years to ten years of service for FRS disability eligibility, would be protected for disability coverage by either the FRS or Social Security. The Social Security Administration does not pay disability benefits to any retiree who is age 65 or older. These recipients automatically receive regular social security benefits. Therefore, it is technically impossible for anyone age 65 or older to become "fully insured for disability benefits."

This amendment provides that a member who is eligible for regular or disability benefits under social security will not be eligible for FRS disability benefits, unless he has ten years of service. The amendment also contains language to make the July 1980 date easier to understand.

- (3) The third change under this section of the bill provides that a member will be considered a terminated member when he meets the definition as provided in s. 121.021(39), F.S.
- (4) The fourth change in this section relates to current law which allows the spouse of a deceased active FRS member to purchase refunded service by paying the required contributions, plus 4 percent compounded interest. The amendment will require that the interest rate increase to 6.5 percent on and after July 1, 1975. This change will bring this section into line with other sections of Chapter 121 which already require 6.5 percent interest. Through an oversight this section was not changed when the rest of Chapter 121 was changed.
- (5) The fifth change in this section permits retired judges who have 30 years of service to become reemployed with an employer who participates in the FRS without having to wait one year after retirement. With the exception of substitute teachers and adjunct community college instructors, all other retirees must wait one year after retirement before they can be reemployed with an employer who participates in the FRS.

Section 14 - Leaves-of-Absence

Presently, members of the FRS may purchase retirement service credit for leaves-of-absence up to 12 months at a time, not to exceed a total of 24 months during their career. This amendment will delete the 12-month and 24-month limitations and replace them with a requirement that a member may purchase retirement credit for up to two work years of leave-of-absence credit.

Currently, if an FRS employer grants a leave-of-absence greater than 12 months, the member may only purchase retirement credit

for 12 months of the leave. If, however, the employer grants a leave-of-absence for 12 months immediately followed by a second leave of 12 months, the member may purchase retirement credit for both leaves. A single leave is more cost efficient and equitable.

Additionally, s. 121.121(3), F.S., currently specifies that an FRS member may purchase a maximum of 24 months of leave-of-absence credit during his career. For most employees this is equal to two work years. However, many school district, university system and community college employees receive a full year of retirement service credit for less than 12 months, usually 9 or 10 months. To grant 24 months of leave-of-absence credit to a 10-month member would total 2.40 years of service. This is an inequity to 12-month employees. The granting of a total of 2 work years of leave-of-absence credit is equitable to all members of the system.

Section 15 - Optional Retirement Program for SUS

Currently, s. 121.35, F.S., provides that faculty and certain administrative and professional employees who are employed by the State University System (SUS) may participate in an Optional Retirement Program for SUS employees in lieu of participating in the Regular Class of the FRS.

The Optional Retirement Program for SUS employees provides "immediate vesting" through the purchase of an annuity contract as opposed to the ten-year vesting requirement of the FRS. The FRS retirement benefits are based upon years of service and average final compensation, while the Optional Retirement Program for SUS employees provides retirement benefits which are agreed to in the annuity contract.

Recently, a new senior-level employment category was instituted within the SUS called the State University System Executive Service. The SUS Executive Service was authorized in June, 1987 by the State Board of Education; it is a separate category of employment within the Administrative and Professional pay plan. Presently, there are 44 employees in the Executive Service including the Chancellor, Vice Chancellors, and Vice Presidents, General Counsels, and the like. Executive Service employees may not hold tenure.

The bill would permit members of the SUS Executive Service to participate in the Optional Retirement Program for SUS employees in lieu of participating in the FRS. This would put these SUS senior-level employees on equal footing relative to retirement benefits with Senior Management Service employees.

Section 16 - IFAS Supplemental Retirement Benefits

Presently, s. 121.40, F.S., provides that retirees under the Institute of Food and Agricultural Sciences supplemental retirement program will receive a cost-of-living increase on their pension each July 1. This cost-of-living adjustment is based on the increase in the average Consumer Price Index (CPI) during the 12-month period, April 1 through March 31, prior to the adjustment date, not to exceed three percent.

This amendment deletes the language providing for the annual increase to be based on the CPI and replaces it with a constant three percent as provided in s. 121.101. The provisions are retroactive to July 1, 1987.

Senate Bill 24-B which passed during the second Special Session made these changes for retirement benefit recipients under s. 121.101, F.S. This amendment provides the same benefits to those retirees under s. 121.40.

Section 17 - Limitation of Benefits

Section 112.65, F.S., presently provides a limitation on retirement benefits for any retiree who first becomes a member of a public retirement system on or after January 1, 1980, as follows:

- (1) If the retiree does not receive social security benefits, his pension benefit cannot exceed 100 percent of his average final compensation.
- (2) If the retiree receives social security benefits, the sum of his pension benefit and his primary social security benefit cannot exceed 100 percent of his average final compensation.

Current statute also provides that the social security offset will only apply to benefits earned through a retiree's government employment and not to social security benefits earned through private employment. Further, the term "average final compensation" means the average of the member's earnings, excluding payments for accumulated leave, compensatory time, and overtime. Additionally, current statutes prohibit the "double dipping" of service credit in two retirement plans.

The bill deletes all existing limitations on retirement benefits in current statute and replaces them with a single limitation which provides that any retiree who first becomes a member of a public retirement plan on or after January 1, 1980, shall not receive a retirement benefit which exceeds 100 percent of his average final compensation. There is no social security or military benefit offset in the new benefit limitation provision.

Section 18 - Reemployment After Termination

Under current law, a member of an existing system (all state administered retirement systems other than the FRS) who is reemployed after terminating his employment shall have the option upon reemployment of rejoining the older existing retirement system of which he was a member prior to his termination or of joining the FRS. Failure to make such a selection within six months of reemployment shall result in compulsory participation in the FRS.

The bill amends current law as outlined above to provide that after June 30, 1988, a member of an existing system must terminate his employment for 12 months prior to having the option upon reemployment of rejoining his former retirement system or of joining the FRS. If such member is reemployed prior to the passage of 12 months, he shall again become a member of the existing retirement system to which he formerly belonged; specifically exempted from this requirement are members who become eligible to participate in the Elected State Officers' Class or the Senior Management Service Class of the FRS.

Section 19 - Senior Management Service Class

Current law provides that any member of an existing retirement system who is appointed to a position in the Senior Management Service on or after February 1, 1987, shall have 90 days from such appointment to elect to participate in either the Senior Management Service Class of the FRS or the optional annuity program for Senior Management employees. However, members of an existing retirement system or the Special Risk Class or Special Risk Administrative Support Class who are appointed to the Senior Management Service on or before February 1, 1987, shall have the option of remaining in their existing retirement system or Special Risk Class or Special Risk Administrative

Support Class in lieu of participating in the Senior Management Service Class of the FRS.

Current law would be amended to provide that irrespective of employment date, all Senior Management Service employees who are members of an existing retirement system or the Special Risk Class or Special Risk Administrative Support Class may elect within 90 days to remain in such system or class in lieu of participating in the Senior Management Service Class.

Section 20 - Joint Legislative Retirement Study Committee

This section creates a Joint Legislative Retirement Study Committee composed of three members of the Senate, appointed by the President, and three members of the House, appointed by the Speaker. The purpose of the Committee is to develop an appropriate policy regarding the manner in which retirement issues are handled by the Legislature so as to promote a state-administered retirement system which provides an equitable benefit structure which is funded in a realistic and actuarially sound manner. The Committee would be staffed by existing legislative staff from the appropriate committees. Additionally, the Committee would issue a report by March 1, 1989, and stand repealed on July 1, 1989.

Sections 21 and 22 - Prior Service with State Executive Committee

This section of the bill authorizes members of the FRS to purchase as creditable service prior service with a State Executive Committee established pursuant to s. 103.091(1). At the current time, there is a Democratic State Executive Committee and a Republican State Executive Committee. In order to purchase retirement credit for such employment, the member must contribute 14.38 percent of all salary received during such period, plus interest.

Section 23 - Contribution Rates

Provides the manner in which the cumulative retirement contribution rates will be computed in the event additional legislation is passed which requires an increase in the contribution rates.

Section 24 - FRS Optional Participation by Certain Mayors

Permits the elected mayor of a consolidated local government when such government, by its charter, has chosen municipal status for the purpose of participation in state administered retirement systems, to join the Elected State Officers' Class of the FRS. Provides for contributions to be paid either by such mayors or their employers. The amendment precludes the granting of retirement credit under the FRS for such mayors if the same service will be used to obtain a retirement benefit from a local retirement system.

Section 25 - Effective Date Section

The bill would take effect October 1, 1988, except that Sections 8, 9, 13, 16, 17, 18, 19, 20, 23 and 24 shall take effect upon becoming a law.

II. ECONOMIC IMPACT AND FISCAL NOTE

A. Public:

None.

B. Government:

Sections 1-6

The Constitution of the State of Florida (s. 14, Art. 10), requires that increased retirement benefits be funded in an actuarially sound manner. The increased contribution rates provided in this bill are needed in order to comply with this provision.

The actuarial firm of Milliman & Robertson, Inc., has performed the valuation as required by statute and recommended an increase in the contribution rates for most classes of membership. The State Retirement Actuary has calculated the projected cost of implementing these new contribution rates.

The tables below show the cost of a one time increase (Table II-1), and the cost of a graded increase with the 15-year amortization provisions repealed (Table II-2). The estimates are based upon a 10 percent per year growth in the employer payroll. The base used was the 1986-87 salaries as reported to the State Division of Retirement which were as follows:

<u>Membership Class</u>	<u>Salaries</u>
FRS - Regular	\$7,695,079,441
FRS - Senior Management	16,333,372
FRS - Special Risk	764,153,030
FRS - Special Risk Admin.	3,754,885
FRS - Elected State Officers	72,530,027
Teachers' Retirement System	141,468,273
State & County Employees	5,473,124
Highway Patrol System	<u>25,328</u>
Total	\$8,698,817,480

TABLE II-1

Increased Employer Contributions
(One Time Increase FRS)

<u>Jan/89 - June/89</u> <u>(six months)</u>		<u>July/89 - June/90</u> <u>(twelve months)</u>	
State	\$ 48,037,000	State	\$ 110,711,000
Local	<u>138,955,000</u>	Local	<u>320,256,000</u>
Total	\$ 186,992,000	Total	\$ 430,967,000

TABLE II-2

Increased Employer Contributions
(Graded Increase with 15-Year Amortization Repealed)

Proposed Rates Effective January 1, 1989

<u>Jan/89 - June/89</u> <u>(six months)</u>		<u>July/89 - June/90</u> <u>(twelve months)</u>	
State	\$ 9,937,000	State	\$ 20,884,000
Local	<u>28,703,000</u>	Local	<u>60,314,000</u>
Total	\$ 38,640,000	Total	\$ 81,198,000

Proposed Rates Effective January 1, 1990

Jan/90 - June/90 (six months)	July/90 - June/91 (twelve months)
State \$ 10,947,000	State \$ 23,139,000
Local <u>31,611,000</u>	Local <u>66,834,000</u>
Total \$ 42,558,000	Total \$ 89,973,000

Proposed Rates Effective January 1, 1991

Jan/91 - June/91 (six months)	July/91 - June/92 (twelve months)
State \$ 12,192,000	State \$ 25,438,000
Local <u>35,223,000</u>	Local <u>73,473,000</u>
Total \$ 47,415,000	Total \$ 98,911,000

Proposed Rates Effective January 1, 1992

Jan/92 - June/92 (six months)	July/92 - June/93 (twelve months)
State \$ 13,246,000	State \$ 27,795,000
Local <u>38,250,000</u>	Local <u>80,273,000</u>
Total \$ 51,496,000	Total \$108,068,000

Proposed Rates Effective January 1, 1993

Jan/93 - June/93 (six months)	July/93 - June/94 (twelve months)
State \$ 14,549,000	State \$ 30,553,000
Local <u>42,023,000</u>	Local <u>88,248,000</u>
Total \$ 56,572,000	Total \$118,801,000

Sections 7-25

There will be no significant or measurable fiscal impact on the FRS Trust Fund if these miscellaneous retirement provisions become law.

III. COMMENTS:

As previously stated, the state is required to conduct an actuarial valuation on the FRS biennially. The next valuation will take place in 1989; two years into the current proposed graded rate increases. Therefore, the contribution rates as proposed by the actuaries and in this bill may never be fully implemented as proposed.

Prior to the 1989 valuation the state's consulting actuaries, Milliman and Robertson, Inc. will conduct an experience study (the last experience study was in 1985) on the FRS to fully examine all assumptions. The 1989 contribution rates will be based on these new assumptions.

IV. AMENDMENTS:

None.

STORAGE NAME: 88-0004 PCB(s)
Date: October 22, 1987
Revised: January 6, 1988
Final: _____

HB 239

HOUSE OF REPRESENTATIVES
RETIREMENT, PERSONNEL & COLLECTIVE BARGAINING
STAFF ANALYSIS

BILL #: 88-0004a PCB
RELATING TO: Limitation of Retirement Benefits
SPONSOR(S): House Committee on RP&CB
EFFECTIVE DATE: July 1, 1988
COMPANION BILL(S): _____
OTHER COMMITTEES OF REFERENCE: (1) _____
(2) _____

I. SUMMARY:

A. Present Situation:

Section 112.65, F.S., presently provides a limitation on retirement benefits for any retiree who first becomes a member of a public retirement system on or after January 1, 1980, as follows:

- 1) If the retiree does not receive social security benefits, his pension benefit cannot exceed 100% of his average final compensation.
- 2) If the retiree receives social security benefits, the sum of his pension benefit and his primary social security benefit cannot exceed 100% of his average final compensation.

Current statute also provides that the social security offset will only apply to benefits earned through a retiree's government employment and not to social security benefits earned through private employment. Further, the term "average final compensation" means the average of the member's earnings, excluding payments for accumulated leave, compensatory time, and overtime. Additionally, current statutes prohibit the "double dipping" of service credit in two retirement plans.

B. Effect of Proposed Changes:

This proposed bill deletes all limitations on retirement benefits in current statute and replaces them with only one; that any retiree who first becomes a member of a public retirement plan on or after January 1, 1980, shall not receive a retirement benefit

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which exceeds 100% of his average final compensation. There is no social security offset.

II. ECONOMIC IMPACT:

A. Public:

For retirees who became members of a public retirement plan prior to January 1, 1980, there will be no cost impact or benefit gain. For those retirees who became members of a public retirement plan on or after January 1, 1980, there will be a benefit gain if their combined retirement pension and social security benefit exceeds 100% of their average final compensation (AFC) since the benefit offset will not be in effect. The number of retirees in this group, however, will be very low because most will receive considerably less than 100% of AFC.

B. Government:

There will not be a measurable fiscal impact to local governments or the state retirement systems.

III. STATE COMPREHENSIVE PLAN IMPACT:

None.

IV. COMMENTS:

- A. The current benefit limitations will affect members of public retirement systems beginning in 1990.
- B. The present statute will be very difficult for retirement plans to administer. Each plan will be required to establish some procedure to enable it to determine the commencement date and amount of a retiree's social security benefit.
- C. Most of the current Section 112.65, is very vague and could lead to a considerable amount of misinterpretation by retirement plan administrators.
- D. The bill was reported favorably by the Subcommittee on Retirement on December 8, 1987 and the full committee on January 6, 1988.

V. AMENDMENTS:

VI. PREPARED BY:



Ron Poppell

VII. STAFF DIRECTOR:



Durward Brewer

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STORAGE NAME: h0239-f.rp
Date: October 22, 1987
Revised: January 6, 1988
Final: June 10, 1988

COPY

HOUSE OF REPRESENTATIVES
RETIREMENT, PERSONNEL & COLLECTIVE BARGAINING
FINAL STAFF ANALYSIS

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BILL #: HB 239
RELATING TO: Limitation of Retirement Benefits
SPONSOR(S): House Committee on RP&CB
EFFECTIVE DATE: July 1, 1988
COMPANION BILL(S): _____
OTHER COMMITTEES OF REFERENCE: (1) _____
(2) _____

I. SUMMARY:

A. Present Situation:

Section 112.65, F.S., presently provides a limitation on retirement benefits for any retiree who first becomes a member of a public retirement system on or after January 1, 1980, as follows:

- 1) If the retiree does not receive social security benefits, his pension benefit cannot exceed 100% of his average final compensation.
- 2) If the retiree receives social security benefits, the sum of his pension benefit and his primary social security benefit cannot exceed 100% of his average final compensation.

Current statute also provides that the social security offset will only apply to benefits earned through a retiree's government employment and not to social security benefits earned through private employment. Further, the term "average final compensation" means the average of the member's earnings, excluding payments for accumulated leave, compensatory time, and overtime. Additionally, current statutes prohibit the "double dipping" of service credit in two retirement plans.

B. Effect of Proposed Changes:

This proposed bill deletes all limitations on retirement benefits in current statute and replaces them with only one; that any retiree who first becomes a member of a public retirement plan on or after January 1, 1980, shall not receive a retirement benefit

which exceeds 100% of his average final compensation. There is no social security offset.

II. ECONOMIC IMPACT:

A. Public:

For retirees who became members of a public retirement plan prior to January 1, 1980, there will be no cost impact or benefit gain. For those retirees who became members of a public retirement plan on or after January 1, 1980, there will be a benefit gain if their combined retirement pension and social security benefit exceeds 100% of their average final compensation (AFC) since the benefit offset will not be in effect. The number of retirees in this group, however, will be very low because most will receive considerably less than 100% of AFC.

B. Government:

There will not be a measurable fiscal impact to local governments or the state retirement systems.

III. STATE COMPREHENSIVE PLAN IMPACT:

None.

IV. COMMENTS:

- A. The current benefit limitations will affect members of public retirement systems beginning in 1990.
- B. The present statute will be very difficult for retirement plans to administer. Each plan will be required to establish some procedure to enable it to determine the commencement date and amount of a retiree's social security benefit.
- C. Most of the current Section 112.65, is very vague and could lead to a considerable amount of misinterpretation by retirement plan administrators.
- D. The bill was reported favorably by the Subcommittee on Retirement on December 8, 1987 and the full committee on January 6, 1988.

V. AMENDMENTS:


None.

Page 3
Bill #: HB 239
Date: Juen 10, 1988

VI. FINAL ACTION:

This bill was passed by the House and died in the Senate committee on Personnel, Retirement, and Collective Bargaining. It also passed into law as an amendment to CS/HB 1497.

VII. PREPARED BY:



Ron Poppell

VIII. STAFF DIRECTOR:



Ron Poppell

STORAGE NAME: H218a.ap
Date: May 10, 1988
Revised: May 11, 1988
Final: _____

HB 218

HOUSE OF REPRESENTATIVES
COMMITTEE ON RETIREMENT, PERSONNEL & COLLECTIVE BARGAINING
(As Revised by the Committee on Appropriations)
STAFF ANALYSIS

BILL #: HB 218

RELATING TO: Miscellaneous Retirement Matters

SPONSOR(S): House Committee on RP&CB

EFFECTIVE DATE: July 1, 1988 and October 1, 1988

COMPANION BILL(S): _____

OTHER COMMITTEES OF REFERENCE: (1) Appropriations

(2) _____

I. SUMMARY:

Section 1- Cancellation of State Warrants

Under current law, Section 17.26(3), F.S., if a state warrant has not been presented for payment within three years from the date of issuance, the State's obligation to pay is unenforceable and no additional warrants are issued.

This bill will exempt warrants issued to retirement annuitants under the state administered retirement systems as long as the recipient is living. After the recipients' death, a one year limitation will apply.

This section is proposed to assist the state Division of Retirement. The Division has a problem with numerous retirees, who fail to cash any retirement warrants over a period of several years. These are typically older retirees who are in ill health and have no close family members or friends to handle their financial matters.

This section passed as part of Chapter 86-168, Laws of Florida, the appropriations implementing act. As such, it was enforceable only through June 30, 1987.

Section 2- Law enforcement death benefits

Chapter 87-143, Laws of Florida, which passed last session was to provide certain death benefits to investigators of the state attorneys office and the public defenders office. The language has been interpreted as also applying to state attorneys and assistant state attorneys. This section clarifies that only the investigators are entitled to the death benefits as provided to law enforcement officers killed in the line of duty.

Section 3- Minimum Benefit Provisions

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Presently, section 112.362, F.S. provides that the dollar factors used in determining the minimum benefits will increase each July 1 by an amount based on the increase in the average Consumer Price Index (CPI) during the 12-month period, April 1 through March 31, prior to the adjustment date, not to exceed 3 percent.

This section replaces the CPI language with a constant 3 percent increase.

Senate Bill 24-B which passed during the second special session made these changes for retirement benefit recipients under section 121.101, F.S. This section provides the same benefits to those retirees under chapter 112. The section is retroactive to July 1, 1987, the same as SB 24-B.

Section 4- Definitions

Presently, members of the Florida Retirement System may purchase credit for past service, prior service and military service. This bill clarifies that:

- a.) the definition of "Past Service" as found in section 121.021(18), F.S., pertains principally to section 121.081(1), F.S., providing the conditions under which past service may be claimed and credited. Currently, the definition is very general and leads to misinterpretation.
- b.) the definition of "Prior Service" as defined in section 121.021(19)(a), F.S. pertains to non-contributory service and deletes the language requiring that this service be prior service after a member terminates employment. Therefore, the service will remain as creditable service as provided in 121.021(17)(a), F.S. Section 121.021(19)(b), F.S. pertains to service earned prior to December 1, 1970, the date the Florida Retirement System was created. This section is often misinterpreted and needs to be clarified.
- c.) Additionally, a definition of "Termination of Employment" is being created. This will address the problem of members who attempt to begin receiving retirement benefits while continuing to work. To receive retirement benefits without terminating employment would be in conflict with the intent of the re-employment after retirement provisions amended in 1984, which allow a member to return to work full-time after one year of retirement.

Section 5- Actuarial Reviews

Presently, the Division of Retirement conducts an actuarial review of the Florida Retirement System every two years to determine the actuarial soundness of the System and to determine if contribution rates should be increased. The law currently requires that the report be presented to the Legislature prior to the next legislative session. This section would require that the report be presented to the Legislature by February 1 prior to the legislative session. This section is offered to assure that all parties required to review and appropriate money for necessary funding will have adequate time to perform their tasks.

This section passed as part of Chapter 86-168, Laws of Florida, and was only enforceable through June 30, 1987.

Section 6- Special Risk Prior Service Credit

Presently, a member of the Highway Patrol Pension Plan, Chapter 321, F.S., who terminated employment and received a refund of contributions and later was reemployed under the Florida Retirement System, Chapter 121, F.S., may not receive retirement service credit toward normal special risk retirement age for this prior service under Chapter 321. A 1981 amendment to section 121.0515(6), F.S., currently allows a former member of the State and County Officers and Employees' Retirement System, Chapter 122, F.S., to apply any service which meets the FRS definition of special risk service toward normal special risk retirement age. This section will provide former Chapter 321 members with the same opportunity to claim prior service toward special risk retirement age as is currently provided to former Chapter 122 members.

Section 7- Past Service and Prior Service Credit

This section provides three sections as follows:

- a.) Presently, when a local employer joins the Florida Retirement System it may purchase, or the employees may purchase, past service credit for all years of service prior to FRS membership. To purchase service after January 1, 1975, the employer or employee must pay contributions of 9 percent on gross salary received for each year claimed, plus compounded interest. This contribution rate is less than the current and former contribution rate for active members of the FRS.

This amendment requires that employers or employees wishing to purchase past service must pay the FRS contribution rate in effect at the time the service was earned, for all past service claimed. With passage of this amendment, employers and employees purchasing past service will be paying the same contribution rate as was paid for all active FRS members at that time.

- b.) Presently, members of the FRS may purchase prior service (service on which no contributions were paid or for which a refund of contributions was made) after being employed as a member of the FRS or the optional retirement program for 12 continuous months (one year). The one year reemployment requirement is important to prevent abuse of refunds of contributions, but it should not be applicable to service after January 1, 1975, when the system became employee non-contributory. Since employees cannot receive a refund of contributions for service that is employee non-contributory, they should not be required to work 12 continuous months in order to claim this service. Therefore, the changes to section 121.081(2) and (2)(c) delete this requirement and the member retains the service indefinitely.
- c.) Presently, members of the FRS who wish to claim prior service for years in which they were not contributing members of a retirement system must pay 9 percent contributions, plus compound interest. This amendment would increase the contribution rate to the new actuarial rate of 13.38 percent.

Section 8- Disability Retirement Benefits and Death Benefits

- a.) The change to the introductory paragraph is to make it clear retirement benefits will not be paid until a member has terminated employment as provided in the definition of terminated employment added under Section 4 of the bill.

- b.) Section 121.091(4)(a), F.S., provides that a member of the Florida Retirement System must have 10 years of creditable service to be eligible for other than in-line-of-duty disability benefits; except that a member who has less than 10 years of service, but had more than 5 years on July 1, 1980, will be eligible for FRS disability benefits if he "...is found not to have attained fully insured status for disability benefits under the federal Social Security Act..."

The reference to Social Security was intended to guarantee that members adversely affected by the increase from 5 years to 10 years of service for FRS disability eligibility, would be protected for disability coverage by either the FRS or Social Security. The Social Security Administration does not pay disability benefits to any retiree who is age 65 or older. These recipients automatically receive regular social security benefits. Therefore, it is technically impossible for anyone age 65 or older to become "fully insured for disability benefits".

This section provides that a member who is eligible for regular or disability benefits under social security will not be eligible for FRS disability benefits, unless he has 10 years of service. The amendment also contains language to make the July 1980 date easier to understand.

- c.) The third change under this section of the bill provides that a member will be considered a terminated member when he meets the definition as provided in 121.021(39).
- d.) The fourth change in this section relates to current law which allows the spouse of a deceased active FRS member to purchase refunded service by paying the required contributions, plus 4 percent compounded interest. The amendment will require that the interest rate increase to 6.5 percent on and after July 1, 1975. This change will bring this section into line with other sections of Chapter 121 which already require 6.5 percent interest. Through an oversight this section was not changed when the rest of Chapter 121 was changed.

Section 9- Leaves-of-Absence

Presently, members of the Florida Retirement System may purchase retirement service credit for leaves-of-absence up to 12 months at a time, not to exceed a total of 24 months during their career. This amendment will delete the 12 and 24-month limitations and replace them with a requirement that a member may purchase retirement credit for up to 2 work years of leave-of-absence credit.

Currently, if an FRS employer grants a leave-of-absence greater than 12 months, the member may only purchase retirement credit for 12 months of the leave. If, however, the employer grants a leave-of-absence for 12 months immediately followed by a second leave of 12 months, the member may purchase retirement credit for both leaves. A single leave is more cost efficient and equitable.

Additionally, section 121.121(3), F.S., currently specifies that an FRS member may purchase a maximum of 24 months of leave-of-absence credit during his career. For most employees this is equal to 2 work years. However, many school district, university system and community college employees receive a full year of retirement service credit for less than 12 months, usually 9 or 10 months. To grant 24 months of leave-of-absence credit to a 10-month member would total 2.40 years of service.

This is an inequity to 12 month employees. The granting of a total of 2 work years of leave-of-absence credit is equitable to all members of the system.

Section 10- IFAS supplemental retirement benefits

Presently, section 121.40, F.S. provides that retirees under the Institute of Food and Agricultural Sciences supplemental retirement program will receive a cost-of-living increase on their pension each July 1. This cost-of-living adjustment is based on the increase in the average Consumer Price Index (CPI) during the 12-month period, April 1 through March 31, prior to the adjustment date, not to exceed 3 percent.

This amendment deletes the language providing for the annual increase to be based on the CPI and replaces it with a constant 3 percent as provided in section 121.101. The provisions are retroactive to July 1, 1987.

Senate Bill 24-B which passed during the second special session made these changes for retirement benefit recipients under section 121.101 F.S. This amendment provides the same benefits to those retirees under section 121.40.

Section 11- Firefighters supplemental compensation

Section 633.382, F.S. provides a supplemental compensation program for local government firefighters. This program provides an extra \$50 per month to firefighters who receive an associate degree which is applicable as a fire-related degree and an extra \$110 per month to firefighters who receive a bachelor's degree in which the curriculum included major study in fire-related subjects. Supplemental compensation is not paid to any firefighters who are in positions which require as a condition of employment that they have a bachelor's degree or associate degree. Nor is compensation continued if a firefighter is promoted into a position which requires a degree.

Prior to June 9, 1983, Chapter 633 contained language to prohibit the use of supplemental compensation in the calculation of a member's retirement benefits. In 1983, Chapter 83-115, Laws of Florida, repealed the former language and replaced it with current language which through an apparent oversight omitted the language prohibiting the use in the retirement calculation.

This amendment reinstates the prohibition language which, since 1983, has been administered as policy by the Division of Retirement.

Under section 943.22, F.S., all law enforcement and correctional officers (state and local) are entitled to participate in a similar incentive program. This section presently contains the prohibition language against using supplemental compensation in the calculation of retirement benefits.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT: FY 88-89 FY 89-90 FY 90-91

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

Indeterminate (See comments)

3. Long Run Effects Other Than Normal Growth:

Indeterminate (See comments)

4. Appropriations Consequences:

Indeterminate (See comments)

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Indeterminate (See comments)

2. Direct Private Sector Benefits:

Indeterminate (See comments)

3. Effects on Competition, Private Enterprise, and Employment Markets:

None

D. FISCAL COMMENTS:

The fiscal impact of these changes is upon the individual members of the Florida Retirement System and varies by the number of individuals who elect to use the various options.

The Appropriations Committee amended HB 218 with two major changes. The first section of the bill was stricken due to a conflict with HB 158, which has already been passed by the House. The second change limits participation in the State University System Optional Annuity Program to only administrative and professional positions in the State University System Executive Service. The fiscal impact of the approximately 44 qualified members is indeterminate and varies according to the number who elect to use various options.

III. STATE COMPREHENSIVE PLAN IMPACT:

None.

IV. COMMENTS:

- A. This bill is similar to HB 1304 and HB 636 passed by this Committee in 1986 and 1987. The 1986 bill died in the Committee on Appropriations; however, five amendments proposed in the bill passed as amendments to other bills. The 1987 bill died in the Committee on Rules and Calendar. The current proposed bill contains those amendments which did not pass in 1986, or 1987 and those which passed as part of Chapter 86-168, Laws of Florida, the appropriations implementing bill.
- B. The bill was reported favorably by the Subcommittee on Retirement on December 8, 1987, and the full committee on January 6, 1988.

V. AMENDMENTS:

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:

Ron Poppell

Staff Director:

Durward N. Brewer

FINANCE & TAXATION:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Michael F. Peters
Michael F. Peters

Staff Director:

Dr. James A. Zingale
Dr. James A. Zingale

STORAGE NAME: PCB-RP5
Date: February 29, 1988
Revised: _____
Final: _____

COPY

HOUSE OF REPRESENTATIVES
RETIREMENT, PERSONNEL & COLLECTIVE BARGAINING
STAFF ANALYSIS

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BILL #: PCB-5

RELATING TO: Florida Retirement System Contribution Rates

SPONSOR(S): House Committee on Retirement, Personnel, & Collective Bargaining

EFFECTIVE DATE: January 1, 1989

COMPANION BILLS: _____

OTHER COMMITTEES OF REFERENCE: (1) Appropriations
(2) _____

I. SUMMARY:

A. Background:

The Florida Retirement System (FRS) is a noncontributory defined benefit pension plan in which all state, county, and school district employees, and many municipal and special district employees, participate. (The FRS now has almost 450,000 active members and 95,000 retirees.) Funding of the FRS comes exclusively from employer contributions set by law as a fixed percentage of payroll, with different percentages applicable to various groups of employees within the FRS.

Pursuant to Article X, Section 14, of the State Constitution, and its implementing statute, s. 112.63, F.S., the FRS is required to be funded on a sound actuarial basis. This requirement is an expression of the policy that contributions to the FRS should be adequate to cover the anticipated costs of benefits so as to avoid passing on to future generations of taxpayers the cost of funding past and current retirees' benefits. To assure that the FRS (and other public pension systems) would meet this goal, s. 112.64 was enacted in 1978 to require that contributions to the retirement system be sufficient to meet the normal cost of the retirement system and to amortize the unfunded liability (due to previous underfunding) within 40 plan years. However, a 30-year amortization schedule had already been established for the FRS in 1977.

Section 112.63 was also enacted in 1978 to require triennial actuarial valuations to monitor the adequacy of the system's funding and to ensure that the amortization schedule is being met and that normal costs are being covered. As a further safeguard, s. 112.658 was enacted in 1979 to require the Auditor General to

conduct periodic performance audits of the FRS and the actuarial valuations performed thereon. Section 121.031(3), F.S., also provided for actuarial valuations every three years, but was amended in 1984 to provide valuations every two years with any increase in the unfunded liability arising from experience losses or gains or supplemental retiree benefit increases to be amortized within 15 plan years. The last complete actuarial valuation of the FRS was conducted in 1985.

Many factors must be taken into consideration in the determination of the level of incremental funding necessary to meet the long term retirement plan funding requirements. First, the overall plan liabilities, consisting of the total potential liability for benefits, must be determined. Potential liability for benefits is dependent upon projections of the number of employees who will actually receive benefits under the plan, the life expectancies of the employees, the salaries of employees, and other demographic factors. Offsetting these liabilities is the value of the assets of the retirement fund and projections regarding the real rate of investment return on those assets. Basically, the difference between potential liabilities and the assets to date determine the amount of contributions required.

The above projections constitute what are known as the actuarial assumptions, and, by necessity, these must be long term projections since meeting the 15-year and 30-year amortization schedules is dependent upon them. No projection is going to be accurate over a 15 or 30-year span, therefore, it is necessary that periodic actuarial valuations be conducted to assess the degree to which the actuarial assumptions are holding true with actual experience. If the assumptions have proven inaccurate (resulting in actuarial gains or losses), the assumptions are revised and the whole system must be rebalanced to meet the funding goals (and cover the actuarial gains or losses) with a resulting decrease or increase in contribution rates.

B. Results of the 1987 Biennial Actuarial Valuation:

Milliman & Robertson, Inc., (M&R) the consulting actuaries to the Division of Retirement, performed the biennial actuarial valuation of the FRS. This was the first valuation by this firm. All previous valuations of the system have been performed by the actuarial firm of Tillinghast, Nelson & Warren, Inc.

The 1987 valuation revealed that the unfunded accrued actuarial liability has risen substantially since the 1985 valuation, primarily due to a change in the investment return assumption from 9% to 8% and a large actuarial loss during the past two years. Consequently, Milliman & Robertson has recommended that the retirement contribution rates be increased for most classes of

membership. The new contribution rates would be implemented effective January 1, 1989 as follows:

TABLE I-1
Level Contribution Rate Adjustments

Membership Class	Current Rate	Adjustment	New Rate
Regular	13.14%	+3.67%	16.81%
Special Risk	15.11%	+3.92%	19.03%
Special Risk	15.44%	-2.50%	12.94%
Administrative			
Judicial	20.94%	+7.71%	28.65%
Cabinet	11.50%	+10.15%	21.65%
Legislators	11.50%	+10.15%	21.65%
Attorneys	11.50%	+10.50%	21.65%
County Elected	17.19%	+6.05%	23.24%
Officers			
Senior Management	13.88%	+4.98%	18.86%

Because of the tremendous increase in the combined contribution rates (see Table II-1), M&R has proposed a graded increase in the rates. The graded increase has been proposed for two reasons:

1. To minimize the disruption of the budgeting process which would result from a single change in the rates; and
2. To allow time for a thorough analysis of the actuarial assumptions, whose imprecision may have led to the volatility in the rates.

M&R has also indicated the contribution rates could be further reduced by repealing the provisions in Chapter 121 requiring that experience gains and losses must be amortized over a 15 year period. Table I-2 shows the proposed contribution increases on a graded basis for the next 5 years under current law. Table I-3 shows the proposed contribution increases on a graded basis for the next 5 years with the 15 year amortization provisions repealed.

TABLE I-2

Graded Contribution Rate Adjustments
 (Includes 15 year Amortization)

	Regular	Special Risk	Special Risk Admin.	Judicial	Cabinet Legislators Attorneys	County Elected Officers	Senior Management
Current	13.14%	15.11%	15.44%	20.94%	11.50%	17.19%	13.88%
Adjust.	+.81%	+.84%	-.63%	+1.69%	+2.25%	+1.30%	+1.12%
1989	13.95%	15.95%	14.81%	22.63%	13.75%	18.49%	15.00%
Adjust.	+.80%	+.84%	-.63%	+1.68%	+2.25%	+1.31%	+1.13%
1990	14.75%	16.79%	14.18%	24.31%	16.00%	19.80%	16.13%
Adjust.	+.81%	+.85%	-.64%	+1.69%	+2.25%	+1.30%	+1.12%
1991	15.56%	17.64%	13.54%	26.00%	18.25%	21.10%	17.25%
Adjust.	+.80%	+.84%	-.63%	+1.68%	+2.25%	+1.31%	+1.13%
1992	16.36%	18.48%	12.91%	27.68%	20.50%	22.41%	18.38%
Adjust.	+.81%	+.84%	-.63%	+1.69%	+2.25%	+1.30%	+1.12%
1993 & thereafter	17.17%	19.32%	12.28%	29.37%	22.75%	23.71%	19.50%

NOTE: All of the above contribution rate adjustments would take effect on January 1, of the designated year.

TABLE I-3

Graded Contribution Rate Adjustments
 (15 Year Amortization Repealed)

	Regular	Special Risk	Special Risk Admin.	Judicial	Cabinet Legislative Attorneys	County Elected Officers	Senior Management
Current	13.14%	15.11%	15.44%	20.94%	11.50%	17.19%	13.88%
Adjust.	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	+1.07%
1989	13.90%	15.90%	14.76%	22.58%	13.70%	18.44%	14.95%
Adjust.	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1990	14.66%	16.70%	14.09%	24.22%	15.91%	19.71%	16.04%
Adjust.	+.77%	+.81%	-.68%	+1.65%	+2.21%	+1.26%	+1.08%
1991	15.43%	17.51%	13.41%	25.87%	18.12%	20.97%	17.12%
Adjust.	+.76%	+.80%	-.67%	+1.64%	+2.21%	+1.27%	+1.09%
1992	16.19%	18.31%	12.74%	27.51%	20.33%	22.24%	18.21%
Adjust.	+.76%	+.79%	-.68%	+1.64%	+2.20%	+1.25%	+1.07%
1993 & thereafter	16.95%	19.10%	12.06%	29.15%	22.53%	23.49%	19.28%

NOTE: All of the above contribution rate adjustments would take effect on January 1 of the designated year.

In addition to the increases in the general retirement membership classes, M&R also conducted an actuarial study on the Institute of Food and Agricultural Sciences (IFAS) to determine the actuarial soundness of that system. The study found the system slightly over funded, therefore, a reduction in the contribution rate for these members was recommended to be reduced from 6.68% to 6.35%.

C. The Performance Audit:

Section 112.658, F.S., requires the Auditor General to determine the compliance of the Florida Retirement System with the Florida Protection of Employee Retirement Benefits Act, Chapter 112, Part VII, F.S. The purpose of the most recent audit was to review the 1987 Actuarial Valuation of the Florida Retirement System and determine its compliance with the reporting requirements specified in sections 112.63 and 121.031, F.S. The Auditor General's objectives were:

1. To determine if the valuation was made using generally accepted actuarial procedures;
2. To review assumptions used in the valuation to assess their reasonableness and effect on the valuation's results, and;
3. To determine if progress has been made in improving the funding status of the Florida Retirement System.

The performance audit was conducted by the Office of the Auditor General with the assistance of a consulting actuary, Buck Consultants, Inc. The audit resulted in the following major findings (shown in bold type) and recommendations (see Auditor General's Report for complete details):

1. **The 1987 Actuarial Valuation was made with more conservative assumptions than were used in prior valuations.** The audit found that Milliman & Robertson agreed with previous audits that prior valuations were made with optimistic economic assumptions. The use of which resulted in large, unexpected experience losses and contributed to increases in the FRS unfunded actuarial accrued liability. While the use of more conservative economic assumptions should reduce the likelihood that the State will incur large experience losses and resulting increases in the unfunded liability in the future, some of the changes in assumptions were not specifically reported. Hence, the Auditor General recommended the Division of Retirement ensure that future actuarial valuations clearly disclose the effect of changing assumptions from previous valuations.
2. **The 1987 Actuarial Valuation used a method that did not even out year-to-year fluctuations in the market value of common stock. The method used to value fixed income assets reduced fluctuations in asset values, but may not comply with statutory requirements.** The 1985 actuarial valuation was made using a five-year averaging methodology for valuing system assets, consistent with the method referred to in subsection 121.031(3)(a), F.S. The 1987 valuation used a methodology for

valuing equities that would not reduce year-to-year fluctuations in market values. The value of common stock reported in the 1987 actuarial valuation was based on average market values over the 12 months preceding the valuation date. Additionally, in the 1985 valuation, the FRS fixed income assets were valued on an amortized cost basis. However, they were not valued on this basis in the 1987 valuation. The method used resulted in fixed income assets being valued at approximately \$293 million and \$233 million higher than if valued on a market or amortized cost basis. The use of this method reduced the size of the FRS unfunded actuarial accrued liability, and the estimated contribution rates. The Auditor General recommended that the Division of Retirement and its actuaries review the methods used to determine the value of equity and fixed assets and adopt a new method for equities that will generate less volatile values over a period of years and evaluate whether the method for fixed assets should be used in the future.

3. **The 1987 Actuarial Valuation included measures of the system's funding status, but did not report the trend since the last valuation. The Legislature needs such information to evaluate funding progress and the ability of the system to cover pension liabilities.** Therefore, the Auditor General recommended that the Division of Retirement ensure that future actuarial valuations of the FRS consistently report trends in fund solvency across actuarial valuations.

As part of their review, the Auditor General's consulting actuaries, Buck Consultants, Inc. also studied Milliman & Robertson's proposal to implement a graded contribution rate increase over the next five years. They agreed the graded approach seems to be the only practical approach, considering the uncertainty of the current contribution rates and the fact they may have been too low. Buck did point out, however, that there may be legal considerations to this approach, although they did not find any prohibition.

B. Effect of Proposed Changes:

PCB-5 addresses several sections of statute necessary to revise the retirement contribution rates. Additionally, the bill substantially revises the form in which the contribution rates are shown from a paragraph format to a chart format to provide easier tracking of rate changes. The bill also changes the effective date of the contribution rate increases from the traditional date of October 1 to a new date of January 1. This was done to give FRS employers extra time to prepare for the increased payments and to make it easier on employers in processing W-2 forms at the end of each fiscal year. The following is a section by section summary of the bill:

Section 1 changes the effective date of the increased employer contributions of .24% to fund the Retiree Health Insurance Subsidy Trust Fund as provided last session in Chapter 87-373, Laws of Florida. The effective date is changed from October 1, 1988 to

January 1, 1989 to coincide with the effective date of the rate changes proposed in this bill.

Section 2 repeals the provisions of Chapter 112, F.S., which require that all increases in the unfunded liability resulting from experience losses or gains or supplemental retiree benefit increases must be amortized over a 15 year period. This means these increases will be amortized over a 30 year period as are other increases in the liabilities.

Section 3 revises the contribution rates of the Elected State Officer's Class of membership to reflect a graded increase in the contribution rates over a 5 year period as recommended in the actuarial study.

Section 4 revises the contribution rate of the Senior Management Service Class of membership to reflect a graded increase in the contribution rate over a 5 year period as recommended in the actuarial study.

Section 5 revises the contribution rates of the Regular, Special Risk, and Special Risk Administrative Support Classes of membership to reflect a graded increase in the contribution rates over a 5 year period as recommended in the actuarial study.

Section 6 revises the contribution rate of the Institute of Food and Agricultural Sciences (IFAS) supplemental plan as recommended in the actuarial study.

Section 7 provides the manner in which the cumulative retirement contribution rates will be computed in the event additional legislation is passed which requires an increase in the contribution rates.

Section 8 provides the effective date of this bill as October 1, 1988.

II. ECONOMIC IMPACT:

A. Public:

Since the Florida Retirement System is a noncontributory retirement plan, state and local employers will be required to absorb the entire cost of the increased retirement contributions* specified in this bill. Members of the retirement system will not be required to pay any funds.

B. Government:

Section 14, Article 10, Constitution of the State of Florida, requires that increased retirement benefits be funded in an actuarially sound manner. The increased contribution rates

provided in this bill are needed in order to comply with this provision.

The actuarial firm of Milliman & Robertson, Inc., has performed the valuation as required by statute and recommended an increase in the contribution rates for most classes of membership. The State Retirement Actuary has calculated the projected cost of implementing these new contribution rates.

The tables below show the cost of a one time increase (Table II-1), the cost of a graded increase under current law (Table II-2), and the cost of a graded increase with the 15 year amortization provisions repealed (Table II-3). The estimates are based upon a 10% per year growth in the employer payroll. The base used was the 1986-87 salaries as reported to the State Division of Retirement which were as follows:

<u>Membership Class</u>	<u>Salaries</u>
FRS - Regular	\$7,695,079,441
FRS - Senior Management	16,333,372
FRS - Special Risk	764,153,030
FRS - Special Risk Admin.	3,754,885
FRS - Elected State Officers	72,530,027
Teachers Retirement System	141,468,273
State & County Employees	5,473,124
Highway Patrol System	25,328
Total	<u>\$8,698,817,480</u>

TABLE II-1

**Increased Employer Contributions
 (One Time Increase FRS)**

<u>Jan/89 - June/89</u> <u>(six months)</u>		<u>July/89 - June/90</u> <u>(twelve months)</u>	
State	\$ 48,037,000	State	\$ 69,898,000
Local	138,955,000	Local	202,924,000
Total	<u>\$ 186,992,000</u>	Total	<u>\$ 272,822,000</u>

**Decreased Employer Contributions
 (One Time Decrease IFAS)**

<u>Jan/89 - June/89</u> <u>(six months)</u>		<u>July/89 - June/90</u> <u>(twelve months)</u>	
State	\$ 17,000	State	\$ 34,000
Local	0	Local	0
Total	<u>\$ 17,000</u>	Total	<u>\$ 34,000</u>

TABLE II-2

Increased Employer Contributions
(Graded Increase With 15 Year Amortization)

Proposed Rates Effective January 1, 1989

<u>Jan/89 - June/89</u> (six months)	<u>July/89 - June/90</u> (twelve months)
State \$ 10,570,000	State \$ 22,074,000
Local 30,582,000	Local 63,847,000
Total \$ 41,152,000	Total \$ 85,921,000

Proposed Rates Effective January 1, 1990

<u>Jan/90 - June/90</u> (six months)	<u>July/90 - June/91</u> (twelve months)
State \$ 11,504,000	State \$ 24,309,000
Local 33,265,000	Local 70,307,000
Total \$ 44,769,000	Total \$ 94,616,000

Proposed Rates Effective January 1, 1991

<u>Jan/91 - June/91</u> (six months)	<u>July/91 - June/92</u> (twelve months)
State \$ 12,805,000	State \$ 26,725,000
Local 37,042,000	Local 77,292,000
Total \$ 49,847,000	Total \$104,017,000

Proposed Rates Effective January 1, 1992

<u>Jan/92 - June/92</u> (six months)	<u>July/92 - June/93</u> (twelve months)
State \$ 13,920,000	State \$ 29,395,000
Local 40,250,000	Local 85,025,000
Total \$ 54,170,000	Total \$114,420,000

Proposed Rates Effective January 1, 1993

<u>Jan/93 - June/93</u> (six months)	<u>July/93 - June/94</u> (twelve months)
State \$ 15,475,000	State \$ 32,498,000
Local 44,775,000	Local 94,028,000
Total \$ 60,250,000	Total \$126,526,000

TABLE II-3

Increased Employer Contributions
(Graded Increase with 15 year Amortization Repealed)

Proposed Rates Effective January 1, 1989

<u>Jan/89 - June/89</u> (six months)	<u>July/89 - June/90</u> (twelve months)
State \$ 9,937,000	State \$ 20,884,000
Local 28,703,000	Local 60,314,000
Total \$ 38,640,000	Total \$ 81,198,000

Proposed Rates Effective January 1, 1990

<u>Jan/90 - June/90</u> (six months)	<u>July/90 - June/91</u> (twelve months)
State \$ 10,947,000	State \$ 23,139,000
Local 31,611,000	Local 66,834,000
Total \$ 42,558,000	Total \$ 89,973,000

Proposed Rates Effective January 1, 1991

<u>Jan/91 - June/91</u> (six months)	<u>July/91 - June/92</u> (twelve months)
State \$ 12,192,000	State \$ 25,438,000
Local 35,223,000	Local 73,473,000
Total \$ 47,415,000	Total \$ 98,911,000

Proposed Rates Effective January 1, 1992

<u>Jan/92 - June/92</u> (six months)	<u>July/92 - June/93</u> (twelve months)
State \$ 13,246,000	State \$ 27,795,000
Local 38,250,000	Local 80,273,000
Total \$ 51,496,000	Total \$108,068,000

Proposed Rates Effective January 1, 1993

<u>Jan/93 - June/93</u> (six months)	<u>July/93 - June/94</u> (twelve months)
State \$ 14,549,000	State \$ 30,553,000
Local 42,023,000	Local 88,248,000
Total \$ 56,572,000	Total \$118,801,000

II. STATE COMPREHENSIVE PLAN IMPACT:

None.

IV. COMMENTS:

As previously stated, the state is required to conduct an actuarial valuation on the FRS biennially. The next valuation will take place in 1989; two years into the current proposed graded rate increases. Therefore, the contribution rates as proposed by the actuaries and in this bill will probably never be fully implemented as proposed.

Prior to the 1989 valuation the state's consulting actuaries, Milliman & Robertson, Inc. will conduct an experience study (the last experience study was in 1985) on the FRS to fully examine all assumptions. Based on these new assumptions, the 1989 contribution will be proposed.

V. AMENDMENTS:

VI. PREPARED BY:



Ron Poppell

VII. STAFF DIRECTOR: _____

FLOOR SUMMARY
PCB-5

Relating to: RETIREMENT CONTRIBUTION RATE INCREASES

MR. SPEAKER, SECTION 121.031(3), F.S. REQUIRES THAT THE STATE CONDUCT AN ACTUARIAL VALUATION ON THE FLORIDA RETIREMENT SYSTEM EVERY TWO YEARS. THE STUDY IS TO DETERMINE IF THE CONTRIBUTIONS TO THE SYSTEM NEED TO BE ADJUSTED TO KEEP IT FUNDED ON A SOUND ACTUARIAL BASIS, AS REQUIRED BY SECTION 14, ARTICLE X OF THE STATE CONSTITUTION.

THE CURRENT STUDY INDICATED THE UNFUNDED LIABILITY OF THE SYSTEM HAS RISEN BY \$2.7 BILLION, PRIMARILY DUE TO A CHANGE IN THE INVESTMENT RETURN ASSUMPTION FROM 9% TO 8%. THE BILL WE HAVE BEFORE US TODAY ADDRESSES THIS LOSS AND MAKES THE NECESSARY RETIREMENT CONTRIBUTION RATE INCREASES TO CORRECT THE PROBLEM.

I URGE YOUR SUPPORT OF THE BILL.

SECTION 1 CHANGES THE EFFECTIVE DATE OF THE INCREASED EMPLOYER CONTRIBUTIONS OF .24% TO FUND THE RETIREE HEALTH INSURANCE SUBSIDY TRUST FUND AS PROVIDED LAST SESSION IN CHAPTER 87-373, LAWS OF FLORIDA. THE EFFECTIVE DATE IS CHANGED FROM OCTOBER 1, 1988 TO JANUARY 1, 1989 TO COINCIDE WITH THE EFFECTIVE

DATE OF THE RATE CHANGES PROPOSED IN THIS BILL. THIS CHANGE PROVIDES APPROXIMATELY \$6 - \$8 MILLION SAVINGS.

SECTION 2 REPEALS THE PROVISIONS OF CHAPTER 112, F.S., WHICH REQUIRE THAT ALL INCREASES IN THE UNFUNDED LIABILITY RESULTING FROM EXPERIENCE LOSSES OR GAINS OR SUPPLEMENTAL RETIREE BENEFIT INCREASES MUST BE AMORTIZED OVER A 15 YEAR PERIOD. THIS MEANS THESE INCREASES WILL BE AMORTIZED OVER A 30 YEAR PERIOD AS ARE OTHER INCREASES IN THE LIABILITIES. THIS CHANGE PROVIDES A SAVINGS OF \$34 MILLION OVER THE 5-YEAR PHASE IN PERIOD.

SECTION 3 REVISES THE CONTRIBUTION RATES OF THE ELECTED STATE OFFICER'S CLASS OF MEMBERSHIP TO REFLECT A GRADED INCREASE IN THE CONTRIBUTION RATES OVER A 5 YEAR PERIOD AS RECOMMENDED IN THE ACTUARIAL STUDY.

SECTION 4 REVISES THE CONTRIBUTION RATE OF THE SENIOR MANAGEMENT SERVICE CLASS OF MEMBERSHIP TO REFLECT A GRADED INCREASE IN THE CONTRIBUTION RATE OVER A 5 YEAR PERIOD AS RECOMMENDED IN THE ACTUARIAL STUDY.

SECTION 5 REVISES THE CONTRIBUTION RATES OF THE REGULAR, SPECIAL RISK, AND SPECIAL RISK ADMINISTRATIVE SUPPORT CLASSES OF MEMBERSHIP TO REFLECT A GRADED INCREASE IN THE CONTRIBUTION RATES OVER A 5 YEAR PERIOD AS RECOMMENDED IN THE ACTUARIAL STUDY.

SECTION 6 REVISES THE CONTRIBUTION RATE OF THE INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES (IFAS) SUPPLEMENTAL PLAN AS RECOMMENDED IN THE ACTUARIAL STUDY.

SECTION 7 PROVIDES THE MANNER IN WHICH THE CUMULATIVE RETIREMENT CONTRIBUTION RATES WILL BE COMPUTED IN THE EVENT ADDITIONAL LEGISLATION IS PASSED WHICH REQUIRES AN INCREASE IN THE CONTRIBUTION RATES.

SECTION 8 PROVIDES THE EFFECTIVE DATE OF THIS BILL AS OCTOBER 1, 1988.