

Fiscal Year 2024-2025 Conforming Bill
Relating to State Administered Retirement Systems

BILL

2024

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

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

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

121.101 Cost-of-living adjustments of benefits.—

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

(a) The monthly benefit for members whose effective
retirement date is on or before June 30, 2023, shall be adjusted
as of October 1, 2024. The amount of monthly benefit payable for
the 9-month period commencing on the adjustment date shall be
the amount of the monthly benefit being received on September
30, 2024, plus an amount equal to 3.0% of this benefit.

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(b) The monthly benefit amount determined in paragraph (a) of this subsection shall be used in the calculation of the cost-of-living adjustment on July 1, 2025.

¹Section 2. Subsections (4) and (5) of section 121.71, Florida Statutes, are amended to read:

121.71 Uniform rates; process; calculations; levy.—

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

	Percentage of	
	Gross	
	Compensation,	
	Effective	
Membership Class	July 1, <u>2024</u>	2023
Regular Class	<u>x.xx%</u>	6.73%
Special Risk Class	<u>x.xx%</u>	18.66%
Special Risk		
Administrative		
Support Class	<u>x.xx%</u>	11.54%
Elected Officers' Class—		
Legislators, Governor,		
Lt. Governor,		
Cabinet Officers,		
State Attorneys,		
Public Defenders	<u>x.xx%</u>	10.45%
Elected Officers' Class—		

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54 Justices, Judges x.xx% ~~14.90%~~

55 Elected Officers' Class—

56 County Elected Officers x.xx% ~~12.39%~~

57 Senior Management Service Class x.xx% ~~8.56%~~

58 DROP x.xx% ~~8.49%~~

59 (5) In order to address unfunded actuarial liabilities of
60 the system, the required employer retirement contribution rate
61 for each membership class and subclass of the Florida Retirement
62 System for both retirement plans are as follows:

63 Percentage of
64 Gross
65 Compensation,
66 Effective

67 Membership Class July 1, 2024 ~~2023~~

68 Regular Class x.xx% ~~4.78%~~

69 Special Risk Class x.xx% ~~11.95%~~

70 Special Risk

71 Administrative

72 Support Class x.xx% ~~26.22%~~

73 Elected Officers' Class—

74 Legislators, Governor,

75 Lt. Governor,

76 Cabinet Officers,

77 State Attorneys,

78 Public Defenders x.xx% ~~50.21%~~

79 Elected Officers' Class—

80 Justices, Judges x.xx% ~~27.93%~~

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Elected Officers' Class—

County Elected Officers	<u>x.xx%</u>	44.23%
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Senior Management Service Class	<u>x.xx%</u>	23.90%
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DROP	<u>x.xx%</u>	10.64%
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Section 3. Subsection (7) of section 121.72, Florida Statutes, is amended, and subsection (8) is added to that section to read:

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

(7) Effective July 1, 2023, through June 30, 2024, allocations from the Florida Retirement System Contributions Clearing Trust Fund to investment plan member accounts are as follows:

Membership Class	Percentage of Gross Compensation
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Regular Class	11.30%
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Special Risk Class	19.00%
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Special Risk Administrative Support Class	12.95%
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Elected Officers' Class—

Legislators, Governor,

Lt. Governor, Cabinet Officers,

State Attorneys, Public Defenders	14.38%
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Elected Officers' Class—

Justices, Judges	18.23%
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Elected Officers' Class—

County Elected Officers	16.34%
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Senior Management Service Class	12.67%
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(8) Effective July 1, 2024, allocations from the Florida Retirement System Contributions Clearing Trust Fund to investment plan member accounts are as follows:

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

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

Percentage of
Gross
Compensation,

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135		<u>Effective</u>
136	<u>Membership Class</u>	<u>July 1, 2024</u>
137	<u>Regular Class</u>	<u>x.xx%</u>
138	<u>Special Risk Class</u>	<u>x.xx%</u>
139	<u>Special Risk Administrative Support Class</u>	<u>x.xx%</u>
140	<u>Elected Officers' Class— Legislators,</u>	
141	<u>Governor, Lt. Governor, Cabinet Officers,</u>	
142	<u>State Attorneys, Public Defenders</u>	<u>x.xx%</u>
143	<u>Elected Officers' Class— Justices, Judges</u>	<u>x.xx%</u>
144	<u>Elected Officers' Class— County Elected Officers</u>	<u>x.xx%</u>
145	<u>Senior Management Service Class</u>	<u>x.xx%</u>
146	<u>DROP</u>	<u>x.xx%</u>
147	<u>(2) The adjustments provided in subsection (1) shall be in</u>	
148	<u>addition to all other changes to such contribution rates which</u>	
149	<u>may be enacted into law to take effect on July 1, 2024. The</u>	
150	<u>Division of Law Revision and Information is directed to adjust</u>	
151	<u>accordingly the contribution rates provided in s. 121.71,</u>	
152	<u>Florida Statutes.</u>	
153	<u>Section 5. (1) In order to fund the benefit changes</u>	
154	<u>provided in section 3. of this act, the required employer</u>	
155	<u>contribution rates for members of the Florida Retirement System</u>	
156	<u>established in s. 121.71(4), Florida Statutes, must be increased</u>	
157	<u>as follows:</u>	
158		
159		<u>Percentage of</u>
160		<u>Gross</u>
161		<u>Compensation,</u>

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162		<u>Effective</u>
163	<u>Membership Class</u>	<u>July 1, 2024</u>
164	<u>Regular Class</u>	<u>x.xx%</u>
165	<u>Special Risk Class</u>	<u>x.xx%</u>
166	<u>Special Risk Administrative Support Class</u>	<u>x.xx%</u>
167	<u>Elected Officers' Class— Legislators,</u>	
168	<u>Governor, Lt. Governor, Cabinet Officers,</u>	
169	<u>State Attorneys, Public Defenders</u>	<u>x.xx%</u>
170	<u>Elected Officers' Class— Justices, Judges</u>	<u>x.xx%</u>
171	<u>Elected Officers' Class— County Elected Officers</u>	<u>x.xx%</u>
172	<u>Senior Management Service Class</u>	<u>x.xx%</u>

173 (2) The adjustments provided in subsection (1) shall be in
174 addition to all other changes to such contribution rates which
175 may be enacted into law to take effect on July 1, 2024. The
176 Division of Law Revision and Information is directed to adjust
177 accordingly the contribution rates provided in s. 121.71,
178 Florida Statutes.

179 Section 6. In order to accelerate the paydown of the
180 unfunded actuarial liabilities of the system, the required
181 employer retirement contribution rates for each membership class
182 and subclass of the Florida Retirement System established in s.
183 121.71(5), Florida Statutes, must be increased as follows:

185	<u>Percentage of</u>
186	<u>Gross</u>
187	<u>Compensation,</u>
188	<u>Effective</u>

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189	<u>Membership Class</u>	<u>July 1, 2024</u>
190	<u>Regular Class</u>	<u>x.xx%</u>
191	<u>Special Risk Class</u>	<u>x.xx%</u>
192	<u>Special Risk Administrative Support Class</u>	<u>x.xx%</u>
193	<u>Elected Officers' Class— Legislators,</u>	
194	<u>Governor, Lt. Governor, Cabinet Officers,</u>	
195	<u>State Attorneys, Public Defenders</u>	<u>x.xx%</u>
196	<u>Elected Officers' Class— Justices, Judges</u>	<u>x.xx%</u>
197	<u>Elected Officers' Class— County Elected Officers</u>	<u>x.xx%</u>
198	<u>Senior Management Service Class</u>	<u>x.xx%</u>
199	<u>DROP</u>	<u>x.xx%</u>

200 (2) The adjustments provided in subsection (1) shall be in
201 addition to all other changes to such contribution rates which
202 may be enacted into law to take effect on July 1, 2024. The
203 Division of Law Revision and Information is directed to adjust
204 accordingly the contribution rates provided in s. 121.71,
205 Florida Statutes.

206 Section 7. The Legislature finds that a proper and
207 legitimate state purpose is served when employees, officers, and
208 retirees of the state and its political subdivisions, and the
209 dependents, survivors, and beneficiaries of such employees,
210 officers, and retirees, are extended the basic protections
211 afforded by governmental retirement systems. These persons must
212 be provided benefits that are fair and adequate and that are
213 managed, administered, and funded in an actuarially sound manner
214 as required by s. 14, Article X of the State Constitution and
215 part VII of chapter 112, Florida Statutes. Therefore, the

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216 | Legislature determines and declares that this act fulfills an
217 | important state interest.

218 | Section 8. This act shall take effect upon becoming law.

¹ Rates will be updated once the blended rate study and actuarial valuation is available.