

FLORIDA SCHOOL BOARDS ASSOCIATION
Comparison of Senate and House Retirement Bills
(4/8/11)

ISSUE	SB 2100	HB 1405
Terminology	Changes the name of the FRS defined benefit program to the FRS Pension Plan and changes the name of the FRS defined contribution program to the FRS Investment Plan	[Same/Similar to Senate]
Calculation of Compensation and Final Compensation	On or after 7/1/11, "compensation" will include payment for up to 300 hours of overtime; "average final compensation" will NOT include compensation paid to professional persons for special services, payments for accumulated sick leave made due to retirement or termination; payments for accumulated annual leave; payments for overtime exceeding 300 hours	[No Change to Current Law]
Normal Retirement Date / Age and Years of Service	[No Change to Current Law]	For FRS members who enroll on or after 7/1/11, increases the retirement age from 62 to 65 and increases the years of creditable service from 30 to 33
Vesting in the Pension Plan	Any member initially enrolled on or after 7/1/11 is vested upon completion of 10 years (formerly 6 years) of creditable service	[No Change to Current Law]
Vesting in the Investment Plan	A member enrolled on or after 7/1/11 vests in graded increments over a 5 year period (rather than 100% vesting upon completion of 1 year of service)	[No Change to Current Law]
Pension Plan Enrollment	Closes the pension plan to all eligible employees initially enrolled on or after 7/1/11 who are members of the Elected Officers' Class and Senior Management Class; requires members of these two classes to enroll in the investment plan	[No Change to Current Law]
DROP Enrollment and Benefits	Effective <u>7/1/16</u> , closes DROP to new participants; any member entering DROP prior to 7/1/11 may continue in DROP until completion; for members initially enrolled on or after 7/1/11, interest will accrue at an effective annual rate of 2% (rather than 6.5%) compounded monthly	Effective <u>7/1/11</u> , closes DROP to new participants; any member entering DROP prior to 7/1/11 may continue in DROP until completion
Cost of Living Adjustment (COLA)	Eliminates the cost-of-living adjustment for service earned on or after 7/1/11	[No Change to Current Law]

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Re-enrollment in FRS	Retirees from the Elected Officers' Class or Senior Management Service Class, may not be enrolled in a state-administered retirement system, however, members of other classes are eligible for re-enrollment after retirement in Regular Class in the investment plan; such members must meet specified limitations and requirements	[No Change to Current Law]
Employee Contribution Rate	<p>Effective 7/1/11, the required employee retirement contribution rates for all members except members of the Florida Legislature and statewide elected officials (see below), will be 2% on the first \$25,000 in gross compensation, 4% on the next \$25,000 in gross compensation up to and including \$50,000, and 6% on gross compensation greater than \$50,000;</p> <p>Effective 7/1/11, the required employee retirement contribution rate for those members of the Elected Officers' Class who are members of the Florida Legislative and all Statewide Elected Officials (for both the pension and investment plans) will be will be 3% on the first \$25,000 in gross compensation, 5% on the next \$25,000 in gross compensation up to and including \$50,000, and 7% on gross compensation greater than \$50,000</p>	Effective 7/1/11, the required employee retirement contribution rates for all members for both the pension and investment plans is 3% of gross compensation
Employer Contribution Rates	<p>Regular Class. 5.09%</p> <p>Special Risk Class. 13.80%</p> <p>Special Risk Administrative Support Class. 6.67%</p> <p>Elected Officer's Class</p> <ul style="list-style-type: none"> • Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders.. . . . 9.46% • Justices and Judges. 12.02% • County Officers. 11.44% <p>Senior Management Service Class. 6.88%</p> <p>DROP. 3.12%</p>	<p>Regular Class. 6.16%</p> <p>Special Risk Class. 16.95%</p> <p>Special Risk Administrative Support Class. 7.23%</p> <p>Elected Officer's Class</p> <ul style="list-style-type: none"> • Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders.. . . . 10.76% • Justices and Judges. 15.19% • County Officers. 13.08% <p>Senior Management Service Class. 8.14%</p> <p>DROP. 3.50%</p>
Health Insurance Subsidy	[No Change to Current Law]	[No Change to Current Law]