

**SB 1130, FRS Retirement Reform**  
**Sen. Jeremy Ring (D-32-Broward)**

On March 10, 2011, the Senate Governmental Oversight and Accountability Committee passed SB 1130, the FRS Retirement Reform bill. The bill had been the subject of several hearings commencing in December 2010.

This bill makes the following changes to the Florida Retirement System (FRS):

1. Requires an employee contribution of up to 2% of pre-tax gross salary to fund retirement benefits, effective July 1, 2011. The maximum employee contribution is 2% for any member of the Regular Class or Special Risk Class and 4% for any member of the Senior Management Service Class or Elected Officers' Class.
2. Employee contributions are no longer required if the FRS reaches or exceeds 100% of actuarial funding.
3. For fiscal year 2011-2012, the contribution rates for all members are set at:
  - a. 0% for compensation up to \$40,000,
  - b. No more than 2% for compensation between \$40,000 and \$75,000,
  - c. No more than 4% for gross compensation that is greater than \$75,000.
4. Increases the vesting period for members enrolled in the defined benefit plan from 6 to 8 years.
5. Closes the defined benefit plan on or after July 1, 2011 for FRS employees who are members of:
  - a. the Elected Officers Class,
  - b. the Senior Management Service Class, or
  - c. any member of any FRS membership class employed in a position for which the starting salary is more than \$75,000.

FRS employees who are eligible and elect to enroll in an optional retirement program, will be enrolled in the FRS defined contribution plan.

6. Changes vesting for members enrolled in the defined contribution plan on or after July 1, 2011 so that vesting will occur in graded increments over a 5-year period.
7. Amends the definitions of "compensation" and "average final compensation." Accumulated annual leave payments and overtime payments in excess of 300 hours are not included for service earned on or after July 1, 2011.
8. Creates an additional death benefit for members of the defined contribution plan who are killed in the line of duty.
9. Changes the name of the "Public Employee Optional Retirement Program" to the "Florida Retirement System Investment Plan."

10. Requires each active member of the Senior Management Service Optional Annuity Program, the State University System Optional Retirement Program, and the Community College Optional Retirement Program to contribute the same percentage of gross salary to fund retirement benefits as those contributed by FRS employees, effective July 1, 2011.