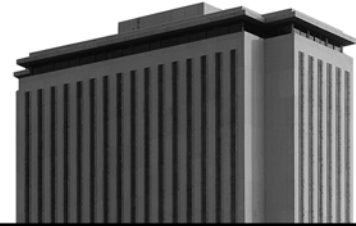




LEGISLATIVE ISSUE BRIEFS



Local Government Pension Plans

The Florida League of Cities will support legislation that enhances municipal control over municipal employee pension plan management and funding.

Background:

The Senate Committee on Governmental Operations conducted an interim project on local government pension plans (not including the Florida Retirement System), and reported its findings in Senate Interim Project Report 2008-128. Several hundred local governments in Florida, primarily cities and to a lesser extent special districts, sponsor more than 500 separate single purpose or multi-purpose pension plans for their officers and employees. The Senate Report states various concerns with local government pensions, and that many local governments may face added pressure to fund pensions based upon recent reductions in property taxes. The Report recommends specific statutory changes to assure disciplined funding practices among all public rector pension plans, changes to state agency oversight practices, and restraint in the conferral of new benefits.

The state Division of Retirement produces an annual report on local government retirement systems. The 2007 Annual Report identified the following issues of concern with local government retirement systems: auditing of pension plans; limiting certain required contributions; clarifying existing statutory provisions; retaining contribution stability; improving plan funding; access to State Board of Administration's investment resources; and non-forfeitable benefits. The Division's issues of concern and recommendations could have a significant impact on the operation of various local government pension plans.

Status: No bills filed. The League will work to retain municipal control over municipal employee and officer pensions with minimal state oversight.

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