

1 A bill to be entitled
 2 An act relating to the Florida Retirement System;
 3 amending ss. 112.363, 121.052, 121.055, and 121.071,
 4 F.S.; revising the employer contribution rates for the
 5 retiree health insurance subsidy; amending s. 121.71,
 6 F.S.; revising the required employer contribution
 7 rates for certain membership classes and subclasses of
 8 the Florida Retirement System; providing that the act
 9 fulfills an important state interest; providing an
 10 effective date.

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

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 14 Section 1. Paragraph (g) of subsection (8) of section
 15 112.363, Florida Statutes, is amended to read:

16 112.363 Retiree health insurance subsidy.—

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

19 (g) Beginning July 1, 2014 ~~2013~~, the employer of each
 20 member of a state-administered plan shall contribute 1.26 ~~1.20~~
 21 percent of gross compensation each pay period.

22
 23 Such contributions shall be submitted to the Department of
 24 Management Services and deposited in the Retiree Health
 25 Insurance Subsidy Trust Fund.

26 Section 2. Paragraph (d) of subsection (7) of section

27 | 121.052, Florida Statutes, is amended to read:

28 | 121.052 Membership class of elected officers.—

29 | (7) CONTRIBUTIONS.—

30 | (d) The following table states the required employer
 31 | contribution on behalf of each member of the Elected Officers'
 32 | Class in terms of a percentage of the member's gross
 33 | compensation. Such contribution constitutes the entire health
 34 | insurance subsidy contribution with respect to each such member.
 35 | A change in the contribution rate is effective with the first
 36 | salary paid on or after the beginning date of the change. The
 37 | retiree health insurance subsidy contribution rate is as
 38 | follows:

Dates of Contribution Rate Changes	Contribution Rate
October 1, 1987, through December 31, 1988	0.24%
January 1, 1989, through December 31, 1993	0.48%
January 1, 1994, through December 31, 1994	0.56%
January 1, 1995, through June 30, 1998	0.66%
July 1, 1998, through June 30, 2001	0.94%

45 |

46	July 1, 2001, through June 30, 2013	1.11%
47	<u>Effective July 1, 2013, through June 30, 2014</u>	1.20%
48	<u>Effective July 1, 2014</u>	<u>1.26%</u>

49 Such contributions and accompanying payroll data are due and
 50 payable no later than the 5th working day of the month
 51 immediately following the month during which the payroll period
 52 ended and shall be deposited by the administrator in the Retiree
 53 Health Insurance Subsidy Trust Fund.

54 Section 3. Paragraph (d) of subsection (3) of section
 55 121.055, Florida Statutes, is amended to read:

56 121.055 Senior Management Service Class.—There is hereby
 57 established a separate class of membership within the Florida
 58 Retirement System to be known as the "Senior Management Service
 59 Class," which shall become effective February 1, 1987.

60 (3)

61 (d) The following table states the required employer
 62 contribution on behalf of each member of the Senior Management
 63 Service Class in terms of a percentage of the member's gross
 64 compensation. Such contribution constitutes the entire health
 65 insurance subsidy contribution with respect to each such member.
 66 A change in the contribution rate is effective with the first
 67 salary paid on or after the beginning date of the change. The

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68 retiree health insurance subsidy contribution rate is as
 69 follows:

70	Dates of Contribution Rate Changes	Contribution Rate
71		
72	October 1, 1987, through December 31, 1988	0.24%
73	January 1, 1989, through December 31, 1993	0.48%
74	January 1, 1994, through December 31, 1994	0.56%
75	January 1, 1995, through June 30, 1998	0.66%
76	July 1, 1998, through June 30, 2001	0.94%
77	July 1, 2001, through June 30, 2013	1.11%
78	Effective July 1, 2013, <u>through June 30, 2014</u>	1.20%
79	<u>Effective July 1, 2014</u>	<u>1.26%</u>

80
 81 Such contributions and accompanying payroll data are due and
 82 payable no later than the 5th working day of the month

83 immediately following the month during which the payroll period
 84 ended and shall be deposited by the administrator in the Retiree
 85 Health Insurance Subsidy Trust Fund.

86 Section 4. Subsection (4) of section 121.071, Florida
 87 Statutes, is amended to read:

88 121.071 Contributions.—Contributions to the system shall
 89 be made as follows:

90 (4) The following table states the required employer
 91 contribution on behalf of each member of the Regular Class,
 92 Special Risk Class, or Special Risk Administrative Support Class
 93 in terms of a percentage of the member's gross compensation.
 94 Such contribution constitutes the entire health insurance
 95 subsidy contribution with respect to each such member. A change
 96 in the contribution rate is effective with the first salary paid
 97 on or after the beginning date of the change. The retiree health
 98 insurance subsidy contribution rate is as follows:

Dates of Contribution	Contribution
Rate Changes	Rate
October 1, 1987, through December 31, 1988	0.24%
January 1, 1989, through December 31, 1993	0.48%
January 1, 1994, through December 31, 1994	0.56%

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January 1, 1995, through June 30, 1998	0.66%
July 1, 1998, through June 30, 2001	0.94%
July 1, 2001, through June 30, 2013	1.11%
Effective July 1, 2013, <u>through June 30, 2014</u>	1.20%
<u>Effective July 1, 2014</u>	<u>1.26%</u>

Such contributions shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

Section 5. 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>2014</u> 2013

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119	Regular Class	3.53%
120	Special Risk Class	<u>11.01%</u> 11.00%
121	Special Risk Administrative Support Class	<u>4.18%</u> 4.17%
122	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>6.30%</u> 6.52%
123	Elected Officers' Class— Justices, Judges	<u>10.10%</u> 10.05%
124	Elected Officers' Class— County Elected Officers	<u>8.36%</u> 8.44%
125	Senior Management Class	<u>4.80%</u> 4.81%
126		

DROP 4.30% ~~4.63%~~

127

128 (5) In order to address unfunded actuarial liabilities of
 129 the system, the required employer retirement contribution rates
 130 for each membership class and subclass of the Florida Retirement
 131 System for both retirement plans are as follows:
 132

Percentage of
 Gross
 Compensation,
 Effective

Membership Class July 1, 2014 ~~2013~~

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134

Regular Class 2.54% ~~2.19%~~

135

Special Risk Class 7.51% ~~6.83%~~

136

Special Risk

Administrative

Support Class 36.59% ~~30.56%~~

137

Elected Officers' Class—

Legislators, Governor, 38.66% ~~24.85%~~

Lt. Governor,
 Cabinet Officers,
 State Attorneys,
 Public Defenders

138

Elected Officers' Class—
 Justices, Judges

21.77% ~~17.00%~~

139

Elected Officers' Class—
 County Elected Officers

33.58% ~~23.36%~~

140

Senior Management Service Class

15.04% ~~12.27%~~

141

DROP

6.72% ~~7.01%~~

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143 Section 6. The Legislature finds that a proper and
 144 legitimate state purpose is served when employees, officers, and
 145 retirees of the state and its political subdivisions, and the
 146 dependents, survivors, and beneficiaries of such employees,
 147 officers, and retirees, are extended the basic protections
 148 afforded by governmental retirement systems. These persons must
 149 be provided benefits that are fair and adequate and that are
 150 managed, administered, and funded in an actuarially sound
 151 manner, as required by s. 14, Article X of the State
 152 Constitution and part VII of chapter 112, Florida Statutes.
 153 Therefore, the Legislature determines and declares that this act

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154 | fulfills an important state interest.

155 | Section 7. This act shall take effect July 1, 2014.