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LEGISLATIVE ACTION

Senate

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House

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The Conference Committee on SB 2512-A recommended the following:

1           **Senate Conference Committee Amendment (with title**  
2 **amendment)**

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4           Delete everything after the enacting clause  
5 and insert:

6           Section 1. Paragraph (i) is added to subsection (8) of  
7 section 112.363, Florida Statutes, to read:

8           112.363 Retiree health insurance subsidy.—

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

11           (i) Beginning July 1, 2015, the employer of each member of



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12 a state-administered plan shall contribute 1.66 percent of gross  
13 compensation each pay period.

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15 Such contributions shall be submitted to the Department of  
16 Management Services and deposited in the Retiree Health  
17 Insurance Subsidy Trust Fund.

18 Section 2. Paragraph (d) of subsection (7) of section  
19 121.052, Florida Statutes, is amended to read:

20 121.052 Membership class of elected officers.—

21 (7) CONTRIBUTIONS.—

22 (d) The following table states the required employer  
23 contribution on behalf of each member of the Elected Officers'  
24 Class in terms of a percentage of the member's gross  
25 compensation. Such contribution constitutes the entire health  
26 insurance subsidy contribution with respect to each such member.  
27 A change in the contribution rate is effective with the first  
28 salary paid on or after the beginning date of the change. The  
29 retiree health insurance subsidy contribution rate is as  
30 follows:

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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%

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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%
July 1, 2013, through June 30, 2014	1.20%
<u>Effective July 1, 2014, through June 30, 2015</u>	1.26%
<u>Effective July 1, 2015</u>	<u>1.66%</u>

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

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

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

(3)

(d) The following table states the required employer contribution on behalf of each member of the Senior Management Service Class in terms of a percentage of the member's gross



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58 compensation. Such contribution constitutes the entire health  
59 insurance subsidy contribution with respect to each such member.  
60 A change in the contribution rate is effective with the first  
61 salary paid on or after the beginning date of the change. The  
62 retiree health insurance subsidy contribution rate is as  
63 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%
July 1, 2001, through June 30, 2013	1.11%
July 1, 2013, through June 30, 2014	1.20%
<u>Effective July 1, 2014, through June 30,</u> <u>2015</u>	1.26%



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Effective July 1, 2015

1.66%

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77 Such contributions and accompanying payroll data are due and  
78 payable no later than the 5th working day of the month  
79 immediately following the month during which the payroll period  
80 ended and shall be deposited by the administrator in the Retiree  
81 Health Insurance Subsidy Trust Fund.

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

84 121.071 Contributions.—Contributions to the system shall be  
85 made as follows:

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

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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%

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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%
July 1, 2001, through June 30, 2013	1.11%
July 1, 2013, through June 30, 2014	1.20%
<del>Effective</del> July 1, 2014, <u>through June 30, 2015</u>	1.26%
<u>Effective July 1, 2015</u>	<u>1.66%</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:

Membership Class	Percentage of Gross Compensation,
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Effective  
July 1, 2015 ~~2014~~

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Regular Class 2.91% ~~3.53%~~

119

Special Risk Class 11.35% ~~11.01%~~

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Special Risk 3.71% ~~4.18%~~

Administrative

Support Class

121

Elected Officers' Class- 6.48% ~~6.30%~~

Legislators, Governor,

Lt. Governor,

Cabinet Officers,

State Attorneys,

Public Defenders

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Elected Officers' Class- 11.39% ~~10.10%~~

Justices, Judges

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Elected Officers' Class- 8.48% ~~8.36%~~

County Elected Officers

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Senior Management Class 4.32% ~~4.80%~~

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DROP 4.10% ~~4.30%~~



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

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2015</u> <del>2014</del>
Regular Class	<u>2.65%</u> <del>2.54%</del>
Special Risk Class	<u>8.99%</u> <del>7.51%</del>
Special Risk Administrative Support Class	<u>27.54%</u> <del>36.59%</del>
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>37.62%</u> <del>38.66%</del>

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Elected Officers' Class- 22.62% ~~21.77%~~  
Justices, Judges

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Elected Officers' Class- 32.09% ~~33.58%~~  
County Elected Officers

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Senior Management Service Class 15.41% ~~15.04%~~

141

DROP 7.12% ~~6.72%~~

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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  
154 fulfills an important state interest.

155 Section 7. The Legislature finds that a proper and  
156 legitimate state purpose is served when employees, officers, and  
157 retirees of the state and its political subdivisions, and the  
158 dependents, survivors, and beneficiaries of such employees,  
159 officers, and retirees, are extended the basic protections  
160 afforded by governmental retirement systems that provide fair



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161 and adequate benefits, including health insurance subsidies, and  
162 that are managed, administered, and funded in a sustainable  
163 manner. Therefore, the Legislature determines and declares that  
164 this act fulfills an important state interest.

165 Section 8. If any law amended by this act was also amended  
166 by a law enacted during the 2015 Regular Session of the  
167 Legislature, such laws shall be construed as if enacted during  
168 the same session of the Legislature, and full effect shall be  
169 given to each if possible.

170 Section 9. Except as otherwise expressly provided in this  
171 act and except for this section, which shall take effect upon  
172 becoming a law, this act shall take effect July 1, 2015, or, if  
173 this act fails to become a law until after that date, it shall  
174 take effect upon becoming a law and operate retroactively to  
175 July 1, 2015.

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177 ===== T I T L E A M E N D M E N T =====

178 And the title is amended as follows:

179 Delete everything before the enacting clause  
180 and insert:

181 A bill to be entitled  
182 An act relating to employer contributions to fund  
183 retiree benefits; amending ss. 112.363, 121.052,  
184 121.055, and 121.071, F.S.; revising the employer  
185 contribution rates for the retiree health insurance  
186 subsidy; amending s. 121.71, F.S.; revising the  
187 required employer retirement contribution rates for  
188 members of each membership class and subclass of the  
189 Florida Retirement System; providing findings of an



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190 important state interest; providing for construction  
191 of the act in pari materia with laws enacted during  
192 the 2015 Regular Session of the Legislature; providing  
193 for contingent retroactive operation; providing  
194 effective dates.