

Committee on Governmental Oversight and Accountability

SB 1810 — Florida Retirement System

by Governmental Oversight and Accountability Committee

The bill sets the employer-paid contribution rates for the Florida Retirement System (FRS) and the Retiree Health Insurance Subsidy (HIS) program, effective July 1, 2013.

The employer-paid contribution for the HIS program is increased from 1.11 percent of the employer's payroll to 1.20 percent of the employer's payroll. These funds will be deposited into the Retiree Health Insurance Subsidy Trust Fund to pay benefits to participating retirees.

The employer-paid contribution rates to pay the normal costs and amortization of the unfunded actuarial liability of the FRS are increased. These rates are based on the rates recommended in the "Blended Rate Study" associated with the 2012 Actuarial Valuation of the FRS. These funds will be deposited into the FRS Trust Fund to fund retirement benefits to members participating in the FRS.

The bill contains legislative findings that a proper and legitimate state purpose is served when public retirement systems, including health insurance subsidies, are administered and funded in a reasonable manner.

If approved by the Governor, these provisions take effect July 1, 2013.

Vote: Senate 40-0; House 117-0