

By the Fiscal Responsibility Council and Representative
Lacasa

1 A bill to be entitled
2 An act relating to retiree health insurance
3 subsidy; amending ss. 112.363, 121.052,
4 121.055, and 121.071, F.S.; changing the
5 employer contribution for the retiree health
6 insurance subsidy; amending s. 121.571, F.S.;
7 adding cross references; providing a finding of
8 important state interest; providing an
9 effective date.

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

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13 Section 1. Paragraph (f) is added to subsection (8) of
14 section 112.363, Florida Statutes, to read:

15 112.363 Retiree health insurance subsidy.--

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

18 (f) Beginning July 1, 2001, the employer of each
19 member of a state-administered plan shall contribute 1.00
20 percent of gross compensation each pay period.

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

25 Section 2. Paragraph (c) of subsection (7) of section
26 121.052, Florida Statutes, is amended to read:

27 121.052 Membership class of elected officers.--

28 (7) CONTRIBUTIONS.--

29 (c) The following table states the required employer
30 contribution on behalf of each member of the Elected Officers'
31 Class in terms of a percentage of the member's gross

1 compensation. Such contribution constitutes the entire health
2 insurance subsidy contribution with respect to the member. A
3 change in the contribution rate is effective with the first
4 salary paid on or after the beginning date of the change. The
5 retiree health insurance subsidy contribution rate is as
6 follows:

7		
8	Dates of Contribution	Contribution
9	Rate Changes	Rate
10		
11	October 1, 1987, through December 31, 1988	0.24%
12	January 1, 1989, through December 31, 1993	0.48%
13	January 1, 1994, through December 31, 1994	0.56%
14	January 1, 1995, through June 30, 1998	0.66%
15	Effective July 1, 1998, <u>through June 30,</u>	0.94%
16	<u>2001</u>	
17	<u>Effective July 1, 2001</u>	<u>1.00%</u>

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

21 Section 3. Paragraph (c) of subsection (3) of section
22 121.055, Florida Statutes, is amended to read:

23 121.055 Senior Management Service Class.--There is
24 hereby established a separate class of membership within the
25 Florida Retirement System to be known as the "Senior
26 Management Service Class," which shall become effective
27 February 1, 1987.

28 (3)

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

1 compensation. Such contribution constitutes the entire health
2 insurance subsidy contribution with respect to the member. A
3 change in the contribution rate is effective with the first
4 salary paid on or after the beginning date of the change. The
5 retiree health insurance subsidy contribution rate is as
6 follows:

7	8 Dates of Contribution	9 Contribution
10	11 Rate Changes	12 Rate
13	14 October 1, 1987, through December 31, 1988	15 0.24%
16	17 January 1, 1989, through December 31, 1993	18 0.48%
19	20 January 1, 1994, through December 31, 1994	21 0.56%
22	23 January 1, 1995, through June 30, 1998	24 0.66%
25	26 Effective <u>July 1, 1998, through June 30,</u>	27 0.94%
28	28 <u>2001</u>	
29	30 <u>Effective July 1, 2001</u>	31 <u>1.00%</u>

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

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

23 121.071 Contributions.--Contributions to the system
24 shall be made as follows:

25 (4) The following table states the required employer
26 contribution on behalf of each member of the Regular Class,
27 Special Risk Class, or Special Risk Administrative Support
28 Class in terms of a percentage of the member's gross
29 compensation. Such contribution constitutes the entire health
30 insurance subsidy contribution with respect to the member. A
31 change in the contribution rate is effective with the first

1 salary paid on or after the beginning date of the change. The
2 retiree health insurance subsidy contribution rate is as
3 follows:

4	5 Dates of Contribution	6 Contribution
7	8 Rate Changes	9 Rate
10	11 October 1, 1987, through December 31, 1988	12 0.24%
13	14 January 1, 1989, through December 31, 1993	15 0.48%
16	17 January 1, 1994, through December 31, 1994	18 0.56%
19	20 January 1, 1995, through June 30, 1998	21 0.66%
22	23 Effective <u>July 1, 1998, through June 30,</u>	24 0.94%
25	26 <u>2001</u>	
27	28 <u>Effective July 1, 2001</u>	29 <u>1.00%</u>

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

Section 5. Subsection (4) of section 121.571, Florida
Statutes, is amended to read:

121.571 Contributions.--Contributions to the Public
Employee Optional Retirement Program shall be made as follows:

(4) CONTRIBUTIONS FOR SOCIAL SECURITY COVERAGE AND FOR
RETIREE HEALTH INSURANCE SUBSIDY.--Contributions required
under this section shall be in addition to employer and member
contributions required for social security and the Retiree
Health Insurance Subsidy Trust Fund as provided in ss.
112.363, 121.052, 121.055, and ~~s-~~121.071, as appropriate.

Section 6. The Legislature finds that a proper and
legitimate state purpose is served when employees, officers,
and retirees of the state and of its political subdivisions,
and the dependents, survivors, and beneficiaries of such

1 employees, officers, and retirees, are extended the basic
2 protections afforded governmental retirement systems that
3 provide fair and adequate benefits, including health insurance
4 subsidies, and that are managed, administered, and funded in a
5 reasonable manner. Therefore, the Legislature hereby
6 determines and declares that the provisions of this act
7 fulfill an important state interest.

8 Section 7. This act shall take effect July 1, 2001.

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11 HOUSE SUMMARY

12 Revises the employer contribution for the retiree health
13 insurance subsidy.

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