

FOR CONSIDERATION By the Committee on Governmental Oversight and Accountability

585-01622B-13

20137122__

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 retirement
7 contribution rates for members of each membership
8 class and subclass of the Florida Retirement System;
9 providing an effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Subsection (8) of section 112.363, Florida
14 Statutes, is amended to read:

15 112.363 Retiree health insurance subsidy.—

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

18 (a) Beginning October 1, 1987, the employer of each member
19 of a state-administered retirement plan shall contribute 0.24
20 percent of gross compensation each pay period.

21 (b) Beginning January 1, 1989, the employer of each member
22 of a state-administered retirement plan shall contribute 0.48
23 percent of gross compensation each pay period.

24 (c) Beginning January 1, 1994, the employer of each member
25 of a state-administered retirement plan shall contribute 0.56
26 percent of gross compensation each pay period.

27 (d) Beginning January 1, 1995, the employer of each member
28 of a state-administered retirement plan shall contribute 0.66
29 percent of gross compensation each pay period.

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30 (e) Beginning July 1, 1998, the employer of each member of
 31 a state-administered retirement plan shall contribute 0.94
 32 percent of gross compensation each pay period.

33 (f) Beginning July 1, 2001, the employer of each member of
 34 a state-administered plan shall contribute 1.11 percent of gross
 35 compensation each pay period.

36 (g) Beginning July 1, 2013, the employer of each member of
 37 a state-administered plan shall contribute 1.25 percent of gross
 38 compensation each pay period.

39
 40 Such contributions shall be submitted to the Department of
 41 Management Services and deposited in the Retiree Health
 42 Insurance Subsidy Trust Fund.

43 Section 2. Subsection (7) of section 121.052, Florida
 44 Statutes, is amended to read:

45 121.052 Membership class of elected officers.—

46 (7) CONTRIBUTIONS.—

47 (a) The following table states the required retirement
 48 contribution rates for members of the Elected Officers' Class
 49 and their employers in terms of a percentage of the member's
 50 gross compensation. A change in a contribution rate is effective
 51 with the first salary paid on or after the beginning date of the
 52 change. Contributions shall be made or deducted as may be
 53 appropriate for each pay period and are in addition to the
 54 contributions required for social security and the Retiree
 55 Health Insurance Subsidy Trust Fund.

56 1.

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Dates of Contribution	Members	Employers
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Rate Changes

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July 1, 2001, through June 30, 2002

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Legislators	0%	15.14%
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61

Governor, Lt. Governor, Cabinet Officers	0%	15.14%
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State Attorneys, Public Defenders	0%	15.14%
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Justices, Judges	0%	20.61%
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64

County Elected Officers	0%	17.61%
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67 2. Effective July 1, 2002, the required retirement
68 contribution rates shall be specified in s. 121.71.

69 (b) The employer paying the salary of a member of the
70 Elected Officers' Class shall contribute an amount as specified
71 in this subsection or s. 121.71, as appropriate, which shall
72 constitute the employer retirement contribution with respect to
73 such member. The employer shall also withhold one-half of the
74 entire contribution of the member required for social security
75 coverage. Effective July 1, 2011, each member of the Elected
76 Officers' Class shall pay employee contributions as specified in
77 s. 121.71.

78 (c) If a member of the Elected Officers' Class ceases to

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79 fill an office covered by this class for 3 calendar months for
 80 any reason other than retirement and has not been employed in
 81 any capacity with any participating employer for 3 calendar
 82 months, the member may receive a refund of all contributions he
 83 or she has made to the pension plan, subject to the restrictions
 84 otherwise provided in this chapter. Partial refunds are not
 85 permitted. The refund shall not include any interest earnings on
 86 the contributions for a member of the pension plan. Employer
 87 contributions made on behalf of the member are not refundable. A
 88 member may not receive a refund of employee contributions if a
 89 pending or an approved qualified domestic relations order is
 90 filed against the member's retirement account. By obtaining a
 91 refund of contributions, a member waives all rights under the
 92 Florida Retirement System and the health insurance subsidy
 93 provided under s. 112.363 to the service credit represented by
 94 the refunded contributions, except the right to purchase his or
 95 her prior service credit in accordance with s. 121.081(2).

96 (d) The following table states the required employer
 97 contribution on behalf of each member of the Elected Officers'
 98 Class in terms of a percentage of the member's gross
 99 compensation. Such contribution constitutes the entire health
 100 insurance subsidy contribution with respect to each such member.
 101 A change in the contribution rate is effective with the first
 102 salary paid on or after the beginning date of the change. The
 103 retiree health insurance subsidy contribution rate is as
 104 follows:
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Dates of Contribution Rate Changes	Contribution Rate
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106	October 1, 1987, through December 31, 1988	0.24%
107	January 1, 1989, through December 31, 1993	0.48%
108	January 1, 1994, through December 31, 1994	0.56%
109	January 1, 1995, through June 30, 1998	0.66%
110	July 1, 1998, through June 30, 2001	0.94%
111	Effective July 1, 2001, through June 30, 2013	1.11%
112	<u>Effective July 1, 2013</u>	<u>1.25%</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. 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) (a) The following table states the required retirement contribution rates for members of the Senior Management Service

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128 Class and their employers in terms of a percentage of the
 129 member's gross compensation. A change in the contribution rate
 130 is effective with the first salary paid on or after the
 131 beginning date of the change. Contributions shall be made for
 132 each pay period and are in addition to the contributions
 133 required for social security and the Retiree Health Insurance
 134 Subsidy Trust Fund.

135 1.

Dates of Contribution

Rate Changes	Members	Employers
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July 1, 2001, through June 30, 2002	0%	11.73%
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140 2. Effective July 1, 2002, the required retirement
 141 contribution rate shall be as specified in s. 121.71.

142 (b) The employer paying the salary of a member of the
 143 Senior Management Service Class shall contribute an amount as
 144 specified in this section or s. 121.71, as appropriate, which
 145 shall constitute the entire employer retirement contribution
 146 with respect to such member. The employer shall also withhold
 147 one-half of the entire contribution of the member required for
 148 social security coverage. Effective July 1, 2011, each member
 149 shall pay employee contributions as specified in s. 121.71.

150 (c) Upon termination of employment from all participating
 151 employers for 3 calendar months for any reason other than
 152 retirement pursuant to s. 121.021(39)(c), a member may receive a

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153 refund of all contributions he or she has made to the pension
 154 plan, subject to the restrictions otherwise provided in this
 155 chapter. Partial refunds are not permitted. The refund shall not
 156 include any interest earnings on the contributions for a member
 157 of the pension plan. Employer contributions made on behalf of
 158 the member are not refundable. A member may not receive a refund
 159 of employee contributions if a pending or an approved qualified
 160 domestic relations order is filed against the member's
 161 retirement account. By obtaining a refund of contributions, a
 162 member waives all rights under the Florida Retirement System and
 163 the health insurance subsidy provided under s. 112.363 to the
 164 service credit represented by the refunded contributions, except
 165 the right to purchase his or her prior service credit in
 166 accordance with s. 121.081(2).

167 (d) The following table states the required employer
 168 contribution on behalf of each member of the Senior Management
 169 Service Class in terms of a percentage of the member's gross
 170 compensation. Such contribution constitutes the entire health
 171 insurance subsidy contribution with respect to each such member.
 172 A change in the contribution rate is effective with the first
 173 salary paid on or after the beginning date of the change. The
 174 retiree health insurance subsidy contribution rate is as
 175 follows:

Dates of Contribution	Contribution
Rate Changes	Rate

177

178

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179	October 1, 1987, through December 31, 1988	0.24%
180	January 1, 1989, through December 31, 1993	0.48%
181	January 1, 1994, through December 31, 1994	0.56%
182	January 1, 1995, through June 30, 1998	0.66%
183	July 1, 1998, through June 30, 2001	0.94%
184	<u>Effective July 1, 2001, through June 30, 2013</u>	1.11%
185	<u>Effective July 1, 2013</u>	<u>1.25%</u>

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

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

194 121.071 Contributions.—Contributions to the system shall be
 195 made as follows:

196 (4) The following table states the required employer
 197 contribution on behalf of each member of the Regular Class,
 198 Special Risk Class, or Special Risk Administrative Support Class
 199 in terms of a percentage of the member's gross compensation.
 200 Such contribution constitutes the entire health insurance

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201 subsidy contribution with respect to each such member. A change
 202 in the contribution rate is effective with the first salary paid
 203 on or after the beginning date of the change. The retiree health
 204 insurance subsidy contribution rate is as 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%
Effective <u>July 1, 2001, through June 30, 2013</u>	1.11%
<u>Effective July 1, 2013</u>	<u>1.25%</u>

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

217 Section 5. Subsections (4) and (5) of section 121.71,
 218 Florida Statutes, are amended to read:

219 121.71 Uniform rates; process; calculations; levy.—

220 (4) Required employer retirement contribution rates for

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221 each membership class and subclass of the Florida Retirement
 222 System for both retirement plans are as follows:

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	Percentage of Gross Compensation, Effective July 1, <u>2013</u>	Percentage of Gross Compensation, Effective July 1, <u>2014</u>
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Membership Class

224

225

Regular Class

226

Special Risk Class

227

Special Risk

Administrative

Support Class

228

Elected Officers' Class-

Legislators, Governor,

Lt. Governor,

Cabinet Officers,

State Attorneys,

Public Defenders

229

Elected Officers' Class-

Justices, Judges

	<u>3.53%</u> 3.55%	<u>3.53%</u> 3.55%
	<u>11.00%</u> 11.01%	<u>11.00%</u> 11.01%
	<u>4.17%</u> 3.94%	<u>4.17%</u> 3.94%
	<u>6.52%</u> 6.51%	<u>6.52%</u> 6.51%
	<u>10.05%</u> 10.02%	<u>10.05%</u> 10.02%

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230

Elected Officers' Class—

County Elected Officers	<u>8.44%</u> 8.36%	<u>8.44%</u> 8.36%
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231

Senior Management Class	<u>4.81%</u> 4.84%	<u>4.81%</u> 4.84%
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232

DROP	<u>4.63%</u> 4.33%	<u>4.63%</u> 4.33%
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233

(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:

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Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2013</u> 2012	Percentage of Gross Compensation, Effective July 1, <u>2014</u> 2013
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Regular Class	<u>2.19%</u> 0.49%	<u>2.19%</u> 2.02%
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242

Special Risk Class	<u>6.83%</u> 2.75%	<u>6.83%</u> 7.03%
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Special Risk Administrative	<u>30.56%</u> 0.83%	<u>30.56%</u> 27.04%
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Support Class

244

Elected Officers' Class-
Legislators, Governor,
Lt. Governor,
Cabinet Officers,
State Attorneys,
Public Defenders

24.85% ~~0.88%~~ 24.85% ~~27.18%~~

245

Elected Officers' Class-
Justices, Judges

17.00% ~~0.77%~~ 17.00% ~~16.38%~~

246

Elected Officers' Class-
County Elected Officers

23.36% ~~0.73%~~ 23.36% ~~23.01%~~

247

Senior Management Service Class

12.27% ~~0.32%~~ 12.27% ~~11.25%~~

248

DROP

7.01% ~~0.00%~~ 7.01% ~~6.21%~~

249

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Section 6. This act shall take effect July 1, 2013.