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LEGISLATIVE ACTION

Senate

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House

Floor: 1/R/2R

05/02/2014 10:38 PM

Senator Negron moved the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

112.363 Retiree health insurance subsidy.—

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

(h) Beginning July 1, 2014, the employer of each member of
a state-administered plan shall contribute 1.30 percent of gross



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12 compensation each pay period.

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

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

19 121.052 Membership class of elected officers.—

20 (7) CONTRIBUTIONS.—

21 (d) The following table states the required employer
22 contribution on behalf of each member of the Elected Officers'
23 Class in terms of a percentage of the member's gross
24 compensation. Such contribution constitutes the entire health
25 insurance subsidy contribution with respect to each such member.
26 A change in the contribution rate is effective with the first
27 salary paid on or after the beginning date of the change. The
28 retiree health insurance subsidy contribution rate is as
29 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	0.56%

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December 31, 1994

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January 1, 1995, through June
30, 1998

0.66%

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July 1, 1998, through June 30,
2001

0.94%

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July 1, 2001, through June 30,
2013

1.11%

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~~Effective~~ July 1, 2013, through
June 30, 2014

1.20%

38

Effective July 1, 2014

1.30%

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

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

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48 121.055 Senior Management Service Class.—There is hereby
49 established a separate class of membership within the Florida
50 Retirement System to be known as the "Senior Management Service
51 Class," which shall become effective February 1, 1987.

52

(3)



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53 (d) The following table states the required employer
54 contribution on behalf of each member of the Senior Management
55 Service Class in terms of a percentage of the member's gross
56 compensation. Such contribution constitutes the entire health
57 insurance subsidy contribution with respect to each such member.
58 A change in the contribution rate is effective with the first
59 salary paid on or after the beginning date of the change. The
60 retiree health insurance subsidy contribution rate is as
61 follows:

62

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%
January 1, 1995, through June 30, 1998	0.66%
July 1, 1998, through June 30, 2001	0.94%

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July 1, 2001, through June 30, 2013	1.11%
<u>Effective July 1, 2013, through June 30, 2014</u>	1.20%
<u>Effective July 1, 2014</u>	<u>1.30%</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 4. Subsection (4) of section 121.071, Florida Statutes, is amended to read:

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

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



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	Dates of Contribution Rate Changes	Contribution Rate
93	October 1, 1987, through December 31, 1988	0.24%
94	January 1, 1989, through December 31, 1993	0.48%
95	January 1, 1994, through December 31, 1994	0.56%
96	January 1, 1995, through June 30, 1998	0.66%
97	July 1, 1998, through June 30, 2001	0.94%
98	July 1, 2001, through June 30, 2013	1.11%
99	<u>Effective July 1, 2013, through June 30, 2014</u>	1.20%
100	<u>Effective July 1, 2014</u>	<u>1.30%</u>
101		
102		
103	Such contributions shall be deposited by the administrator in	
104	the Retiree Health Insurance Subsidy Trust Fund.	



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105 Section 5. Subsections (4) and (5) of section 121.71,
106 Florida Statutes, are amended to read:
107 121.71 Uniform rates; process; calculations; levy.—
108 (4) Required employer retirement contribution rates for
109 each membership class and subclass of the Florida Retirement
110 System for both retirement plans are as follows:
111

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2014</u> 2013
Regular Class	3.53%
Special Risk Class	<u>11.01%</u> 11.00%
Special Risk Administrative Support Class	<u>4.18%</u> 4.17%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>6.30%</u> 6.52%



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Elected Officers' Class-
 Justices, Judges 10.10% ~~10.05%~~

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Elected Officers' Class-
 County Elected Officers 8.36% ~~8.44%~~

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Senior Management Class 4.80% ~~4.81%~~

120

DROP 4.30% ~~4.63%~~

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122 (5) In order to address unfunded actuarial liabilities of
 123 the system, the required employer retirement contribution rates
 124 for each membership class and subclass of the Florida Retirement
 125 System for both retirement plans are as follows:
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Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2014</u> 2013
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Regular Class 2.54% ~~2.19%~~

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Special Risk Class 7.51% ~~6.83%~~

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Special Risk 36.59% ~~30.56%~~



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131	Administrative Support Class		
132	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>38.66%</u>	24.85%
133	Elected Officers' Class— Justices, Judges	<u>21.77%</u>	17.00%
134	Elected Officers' Class— County Elected Officers	<u>33.58%</u>	23.36%
135	Senior Management Service Class	<u>15.04%</u>	12.27%
136	DROP	<u>6.72%</u>	7.01%
137	Section 6. Section 121.74, Florida Statutes, is amended to		
138	read:		
139	121.74 Administrative and educational expenses.—In addition		
140	to contributions required <u>to fund member accounts</u> under ss.		
141	121.71 and 121.73, effective July 1, 2010, through June 30,		
142	2014, employers participating in the Florida Retirement System		
143	shall contribute an <u>employer assessment</u> amount equal to 0.03		
144	percent of the payroll reported for each class or subclass of		



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145 Florida Retirement System membership. Effective July 1, 2014,
146 the employer assessment is ~~contribution rate shall be~~ 0.04
147 percent of the payroll reported for each class or subclass of
148 membership. The amount assessed ~~contributed~~ shall be transferred
149 by the Division of Retirement from the Florida Retirement System
150 Contributions Clearing Trust Fund to the State Board of
151 Administration's Administrative Trust Fund to offset the costs
152 of administering the investment plan and the costs of providing
153 educational services to members of the Florida Retirement
154 System. Approval of the trustees is required before the
155 expenditure of these funds. Payments for third-party
156 administrative or educational expenses shall be made only
157 pursuant to the terms of the approved contracts for such
158 services.

159 Section 7. The Legislature finds that a proper and
160 legitimate state purpose is served when employees, officers, and
161 retirees of the state and its political subdivisions, and the
162 dependents, survivors, and beneficiaries of such employees,
163 officers, and retirees, are extended the basic protections
164 afforded by governmental retirement systems. These persons must
165 be provided benefits that are fair and adequate and that are
166 managed, administered, and funded in an actuarially sound
167 manner, as required by s. 14, Article X of the State
168 Constitution and part VII of chapter 112, Florida Statutes.
169 Therefore, the Legislature determines and declares that this act
170 fulfills an important state interest.

171 Section 8. The Legislature finds that a proper and
172 legitimate state purpose is served when employees, officers, and
173 retirees of the state and its political subdivisions, and the



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174 dependents, survivors, and beneficiaries of such employees,
175 officers, and retirees, are extended the basic protections
176 afforded by governmental retirement systems that provide fair
177 and adequate benefits, including health insurance subsidies, and
178 that are managed, administered, and funded in a sustainable
179 manner. Therefore, the Legislature determines and declares that
180 this act fulfills an important state interest.

181 Section 9. This act shall take effect July 1, 2014.

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

184 And the title is amended as follows:

185 Delete everything before the enacting clause
186 and insert:

187 A bill to be entitled

188 An act relating to state-administered retirement
189 systems; amending s. 112.363, F.S.; increasing the
190 employer contribution to the retiree health insurance
191 subsidy for members of a state-administered plan;
192 amending s. 121.052, F.S.; increasing the employer
193 contribution to the health insurance subsidy for
194 members of the Elected Officers' Class; amending s.
195 121.055, F.S.; increasing the employer contribution to
196 the health insurance subsidy for members of the Senior
197 Management Service Class; amending s. 121.071, F.S.;
198 increasing the employer contribution to the health
199 insurance subsidy for members of the Regular, Special
200 Risk, and Special Risk Administrative Support Classes;
201 amending s. 121.71, F.S.; revising the amount of
202 employer contributions for the next fiscal year;



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203 amending s. 121.74, F.S.; revising terminology to
204 refer to an employer assessment to offset the costs of
205 administering the investment plan and providing
206 education services; providing findings of important
207 state interests; providing an effective date.