

Amendment No.

CHAMBER ACTION

Senate

House

.

The Conference Committee on HB 5005 offered the following:

Conference Committee Amendment (with title amendment)

Remove 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 1.26 percent of gross 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:

30

Dates of Contribution	Contribution
Rate Changes	Rate

31

October 1, 1987, through December 31, 1988	0.24%
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32

January 1, 1989, through December 31, 1993	0.48%
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34	January 1, 1994, through December 31, 1994	0.56%
35	January 1, 1995, through June 30, 1998	0.66%
36	July 1, 1998, through June 30, 2001	0.94%
37	July 1, 2001, through June 30, 2013	1.11%
38	<u>Effective July 1, 2013, through June 30, 2014</u>	1.20%
39	<u>Effective July 1, 2014</u>	<u>1.26%</u>

40
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.

46 Section 3. Paragraph (d) of subsection (3) of section
47 121.055, Florida Statutes, is amended to read:

48 121.055 Senior Management Service Class.—There is hereby
49 established a separate class of membership within the Florida

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50 Retirement System to be known as the "Senior Management Service
51 Class," which shall become effective February 1, 1987.

52 (3)

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 Rate Changes	Contribution Rate
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63

October 1, 1987, through December 31, 1988	0.24%
---	-------

64

January 1, 1989, through December 31, 1993	0.48%
---	-------

65

January 1, 1994, through December 31, 1994	0.56%
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67	January 1, 1995, through June 30, 1998	0.66%
68	July 1, 1998, through June 30, 2001	0.94%
69	July 1, 2001, through June 30, 2013	1.11%
70	<u>Effective July 1, 2013, through</u> <u>June 30, 2014</u>	1.20%
71	<u>Effective July 1, 2014</u>	<u>1.26%</u>

72
73
74 Such contributions and accompanying payroll data are due and
75 payable no later than the 5th working day of the month
76 immediately following the month during which the payroll period
77 ended and shall be deposited by the administrator in the Retiree
78 Health Insurance Subsidy Trust Fund.

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

81 121.071 Contributions.—Contributions to the system shall
82 be made as follows:

83 (4) The following table states the required employer
84 contribution on behalf of each member of the Regular Class,
85 Special Risk Class, or Special Risk Administrative Support Class

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86 in terms of a percentage of the member's gross compensation.
87 Such contribution constitutes the entire health insurance
88 subsidy contribution with respect to each such member. A change
89 in the contribution rate is effective with the first salary paid
90 on or after the beginning date of the change. The retiree health
91 insurance subsidy contribution rate is as follows:

92

Dates of Contribution	Contribution
Rate Changes	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%
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98

July 1, 2001, through June 30, 2013	1.11%
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Effective July 1, 2013, through
June 30, 2014

1.20%

100

Effective July 1, 2014

1.26%

101

102

103

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

105

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

107

121.71 Uniform rates; process; calculations; levy.—

108

(4) Required employer retirement contribution rates for
each membership class and subclass of the Florida Retirement
System for both retirement plans are as follows:

111

Percentage of
Gross
Compensation,
Effective
July 1, 2014 ~~2013~~

Membership Class

112

113

Regular Class

3.53%

114

Special Risk Class

11.01% ~~11.00%~~

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115	Special Risk	
	Administrative	
	Support Class	<u>4.18%</u> 4.17%
116	Elected Officers' Class—	
	Legislators, Governor,	
	Lt. Governor,	
	Cabinet Officers,	
	State Attorneys,	
	Public Defenders	<u>6.30%</u> 6.52%
117	Elected Officers' Class—	
	Justices, Judges	<u>10.10%</u> 10.05%
118	Elected Officers' Class—	
	County Elected Officers	<u>8.36%</u> 8.44%
119	Senior Management Class	<u>4.80%</u> 4.81%
120	DROP	<u>4.30%</u> 4.63%

121

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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126

Percentage of
Gross
Compensation,
Effective
July 1, 2014 ~~2013~~

Membership Class

127

128

Regular Class

2.54% ~~2.19%~~

129

Special Risk Class

7.51% ~~6.83%~~

130

Special Risk

Administrative

Support Class

36.59% ~~30.56%~~

131

Elected Officers' Class—

Legislators, Governor,

Lt. Governor,

Cabinet Officers,

State Attorneys,

Public Defenders

38.66% ~~24.85%~~

132

Elected Officers' Class—

Justices, Judges

21.77% ~~17.00%~~

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133

Elected Officers' Class—

County Elected Officers 33.58% ~~23.36%~~

134

Senior Management Service Class 15.04% ~~12.27%~~

135

DROP 6.72% ~~7.01%~~

136

137 Section 6. Section 121.74, Florida Statutes, is amended to
138 read:

139 121.74 Administrative and educational expenses.—In
140 addition to contributions required to fund member accounts under
141 ss. 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 employer assessment amount equal to 0.03
144 percent of the payroll reported for each class or subclass of
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

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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
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.

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181 Section 9. This act shall take effect July 1, 2014.
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183 -----

184 **T I T L E A M E N D M E N T**

185 Remove everything before the enacting clause and insert:

186 A bill to be entitled

187 An act relating to state-administered retirement
188 systems; amending s. 112.363, F.S.; increasing the
189 employer contribution to the retiree health insurance
190 subsidy for members of a state-administered plan;
191 amending s. 121.052, F.S.; increasing the employer
192 contribution to the health insurance subsidy for
193 members of the Elected Officers' Class; amending s.
194 121.055, F.S.; increasing the employer contribution to
195 the health insurance subsidy for members of the Senior
196 Management Service Class; amending s. 121.071, F.S.;
197 increasing the employer contribution to the health
198 insurance subsidy for members of the Regular, Special
199 Risk, and Special Risk Administrative Support Classes;
200 amending s. 121.71, F.S.; revising the amount of
201 employer contributions for the next fiscal year;
202 amending s. 121.74, F.S.; revising terminology to
203 refer to an employer assessment to offset the costs of
204 administering the investment plan and providing
205 education services; providing findings of important
206 state interests; providing an effective date.

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