HB 5005

1 A bill to be entitled 2 An act relating to state-administered retirement 3 systems; amending s. 121.71, F.S.; revising the 4 required employer retirement contribution rates for 5 members of certain membership classes and subclasses 6 of the Florida Retirement System; amending s. 121.74, 7 F.S.; revising employer assessment to offset the costs 8 of administering the investment plan and providing 9 educational services; providing a finding of important 10 state interest; providing an effective date. 11 12 Be It Enacted by the Legislature of the State of Florida: 13 14 Section 1. Subsections (4) and (5) of section 121.71, 15 Florida Statutes, are amended to read: 16 121.71 Uniform rates; process; calculations; levy.-17 Required employer retirement contribution rates for (4) each membership class and subclass of the Florida Retirement 18 19 System for both retirement plans are as follows: 20 Percentage of Gross Compensation, Effective Membership Class July 1, 2016 2015 21 Page 1 of 5

CODING: Words stricken are deletions; words underlined are additions.

2016

FL	0	RΙ	D	А	Н	0	U	S	Е	0	F	R	Е	Ρ	R	Е	S	Е	Ν	Т	А	Т	T	V	Е	S
----	---	----	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

HB 5005	
---------	--

2016

22		
	Regular Class	<u>2.97%</u> 2.91%
23		
	Special Risk Class	11.35%
24		
	Special Risk	
	Administrative	
	Support Class	<u>3.87%</u> 3.71%
25		
	Elected Officers' Class-	
	Legislators, Governor,	
	Lt. Governor,	
	Cabinet Officers,	
	State Attorneys,	
	Public Defenders	<u>6.63%</u> 6.48%
26		
	Elected Officers' Class-	
	Justices, Judges	<u>11.68%</u> 11.39%
27		
	Elected Officers' Class-	
	County Elected Officers	<u>8.55%</u> 8.48%
28		
	Senior Management Class	<u>4.38%</u> 4.32%
29		
	DROP	<u>4.17%</u> 4.10%
I		

Page 2 of 5

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

```
HB 5005
```

2016

```
30
31
          (5)
               In order to address unfunded actuarial liabilities of
    the system, the required employer retirement contribution rates
32
    for each membership class and subclass of the Florida Retirement
33
    System for both retirement plans are as follows:
34
35
                                                  Percentage of
                                                      Gross
                                                  Compensation,
                                                    Effective
                                                July 1, 2016 <del>2015</del>
    Membership Class
36
37
    Regular Class
                                                   2.83% 2.65%
38
    Special Risk Class
                                                   8.92% 8.99%
39
    Special Risk
      Administrative
      Support Class
                                                  22.47% 27.54%
40
    Elected Officers' Class-
      Legislators, Governor,
      Lt. Governor,
      Cabinet Officers,
                                                  33.75% 37.62%
```

Page 3 of 5

CODING: Words stricken are deletions; words underlined are additions.

FLORIDA HOUSE OF REPRESENTATIVES	F	L	0	R		D	А	ŀ	ł	0	U	S	Е	0	F	R	E	P	R	Е	S	Е	Ν	Т	Α	Т		V	Е	S
----------------------------------	---	---	---	---	--	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	--	---	---	---

HB 5005

	State Attorneys,	
	Public Defenders	
41		
	Elected Officers' Class-	
	Justices, Judges <u>23.30%</u> 22.62%	
42		
	Elected Officers' Class-	
	County Elected Officers <u>32.20%</u> 32.09%	
43		
	Senior Management Service Class <u>15.67%</u> 15.41%	
44		
	DROP <u>7.10%</u> 7.12%	
45		
46	Section 2. Section 121.74, Florida Statutes, is amended to	
47	read:	
48	121.74 Administrative and educational expensesIn	
49	addition to contributions required to fund member accounts under	
50	ss. 121.71 and 121.73, effective July 1, 2010, through June 30,	
51	2014, employers participating in the Florida Retirement System	
52	shall contribute an employer assessment amount equal to 0.03	
53	percent of the payroll reported for each class or subclass of	
54	Florida Retirement System membership. Effective July 1, 2014,	
55	the employer assessment is 0.04 percent of the payroll reported	
56	for each class or subclass of membership. Effective July 1,	
57	2016, the employer assessment is 0.06 percent of the payroll	
58	reported for each class and subclass of membership. The amount	

Page 4 of 5

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

2016

HB 5005

2016

59 assessed shall be transferred by the Division of Retirement from the Florida Retirement System Contributions Clearing Trust Fund 60 61 to the State Board of Administration's Administrative Trust Fund 62 to offset the costs of administering the investment plan and the 63 costs of providing educational services to members of the 64 Florida Retirement System. Approval of the trustees is required 65 before the expenditure of these funds. Payments for third-party 66 administrative or educational expenses shall be made only 67 pursuant to the terms of the approved contracts for such 68 services. 69 Section 3. The Legislature finds that a proper and 70 legitimate state purpose is served when employees, officers, and 71 retirees of the state and its political subdivisions, and the 72 dependents, survivors, and beneficiaries of such employees, officers, and retirees, are extended the basic protections 73 74 afforded by governmental retirement systems. These persons must 75 be provided benefits that are fair and adequate and that are 76 managed, administered, and funded in an actuarially sound manner 77 as required by s. 14, Article X of the State Constitution and 78 part VII of chapter 112, Florida Statutes. Therefore, the 79 Legislature determines and declares that this act fulfills an 80 important state interest. 81 Section 4. This act shall take effect July 1, 2016.

Page 5 of 5

CODING: Words stricken are deletions; words underlined are additions.