

By the Committee on Governmental Oversight and Accountability

585-01991-21

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1 A bill to be entitled
2 An act relating to employer contributions to fund
3 retiree benefits; amending ss. 112.363, 121.052,
4 121.055, and 121.071, F.S.; revising the employer
5 contribution rates for the retiree health insurance
6 subsidy as of a specified date; amending s. 121.71,
7 F.S.; revising required employer retirement
8 contribution rates for each membership class and
9 subclass of the Florida Retirement System; providing a
10 declaration of important state interest; providing an
11 effective date.

12
13 Be It Enacted by the Legislature of the State of Florida:

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

17 112.363 Retiree health insurance subsidy.—

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

20 (j) Beginning July 1, 2021, the employer of each member of
21 a state-administered plan shall contribute 1.50 percent of gross
22 compensation each pay period.

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

27 Section 2. Paragraph (d) of subsection (7) of section
28 121.052, Florida Statutes, is amended to read:

29 121.052 Membership class of elected officers.—

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30 (7) CONTRIBUTIONS.—

31 (d) The following table states the required employer
 32 contribution on behalf of each member of the Elected Officers'
 33 Class in terms of a percentage of the member's gross
 34 compensation. Such contribution constitutes the entire health
 35 insurance subsidy contribution with respect to each such member.
 36 A change in the contribution rate is effective with the first
 37 salary paid on or after the beginning date of the change. The
 38 retiree health insurance subsidy contribution rate is as
 39 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	0.94%

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47	30, 2001	
	July 1, 2001, through June	
48	30, 2013	1.11%
	July 1, 2013, through June	
49	30, 2014	1.20%
	July 1, 2014, through June	
50	30, 2015	1.26%
	Effective <u>July 1, 2015,</u>	
51	<u>through June 30, 2021</u>	1.66%
	<u>Effective July 1, 2021</u>	<u>1.50%</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. Paragraph (d) of 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)

(d) The following table states the required employer

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66 contribution on behalf of each member of the Senior Management
 67 Service Class in terms of a percentage of the member's gross
 68 compensation. Such contribution constitutes the entire health
 69 insurance subsidy contribution with respect to each such member.
 70 A change in the contribution rate is effective with the first
 71 salary paid on or after the beginning date of the change. The
 72 retiree health insurance subsidy contribution rate is as
 73 follows:

74	Dates of Contribution Rate Changes	Contribution Rate
75	October 1, 1987, through December 31, 1988	0.24%
76	January 1, 1989, through December 31, 1993	0.48%
77	January 1, 1994, through December 31, 1994	0.56%
78	January 1, 1995, through June 30, 1998	0.66%
79	July 1, 1998, through June 30, 2001	0.94%
80		
81		

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82	July 1, 2001, through June 30, 2013	1.11%
83	July 1, 2013, through June 30, 2014	1.20%
84	July 1, 2014, through June 30, 2015	1.26%
85	<u>Effective July 1, 2015,</u> <u>through June 30, 2021</u>	1.66%
86	<u>Effective July 1, 2021</u>	<u>1.50%</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

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102 in the contribution rate is effective with the first salary paid
 103 on or after the beginning date of the change. The retiree health
 104 insurance subsidy contribution rate is as follows:

105

Dates of Contribution Rate Changes	Contribution Rate
---------------------------------------	----------------------

106

107

October 1, 1987, through December 31, 1988	0.24%
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108

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

109

January 1, 1994, through December 31, 1994	0.56%
---	-------

110

January 1, 1995, through June 30, 1998	0.66%
---	-------

111

July 1, 1998, through June 30, 2001	0.94%
--	-------

112

July 1, 2001, through June 30, 2013	1.11%
--	-------

113

July 1, 2013, through June 30, 2014	1.20%
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114

July 1, 2014, through June 30,
2015

1.26%

115

~~Effective~~ July 1, 2015,
through June 30, 2021

1.66%

116

Effective July 1, 2021

1.50%

117

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

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

122 121.71 Uniform rates; process; calculations; levy.—

123 (4) Required employer retirement contribution rates for
124 each membership class and subclass of the Florida Retirement
125 System for both retirement plans are as follows:
126

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2021</u> 2020
Regular Class	<u>4.91%</u> 4.84%
Special Risk Class	<u>15.27%</u> 15.13%

127

128

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130

Special Risk
 Administrative
 Support Class 9.73% ~~9.89%~~

131

Elected Officers' Class—
 Legislators, Governor,
 Lt. Governor,
 Cabinet Officers,
 State Attorneys,
 Public Defenders 8.49% ~~8.38%~~

132

Elected Officers' Class—
 Justices, Judges 13.38% ~~13.31%~~

133

Elected Officers' Class—
 County Elected Officers 10.28% ~~10.07%~~

134

Senior Management Class 6.49% ~~6.39%~~

135

DROP 7.23% ~~7.03%~~

136

137 (5) In order to address unfunded actuarial liabilities of
 138 the system, the required employer retirement contribution rates
 139 for each membership class and subclass of the Florida Retirement
 140 System for both retirement plans are as follows:
 141

Membership Class	Percentage of Gross
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Compensation,
Effective
July 1, 2021 ~~2020~~

142

143

Regular Class 4.19% ~~3.44%~~

144

Special Risk Class 8.90% ~~7.60%~~

145

Special Risk
Administrative
Support Class

26.31% ~~24.23%~~

146

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

53.52% ~~48.81%~~

147

Elected Officers' Class—
Justices, Judges

25.81% ~~24.70%~~

148

Elected Officers' Class—
County Elected Officers

39.42% ~~37.39%~~

149

Senior Management Service
Class

20.80% ~~19.18%~~

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150

DROP

9.45% ~~8.29%~~

151

152 Section 6. The Legislature finds that a proper and
 153 legitimate state purpose is served when employees, officers, and
 154 retirees of the state and its political subdivisions, and the
 155 dependents, survivors, and beneficiaries of such employees,
 156 officers, and retirees, are extended the basic protections
 157 afforded by governmental retirement systems. These persons must
 158 be provided benefits that are fair and adequate and that are
 159 managed, administered, and funded in an actuarially sound manner
 160 as required by s. 14, Article X of the State Constitution and
 161 part VII of chapter 112, Florida Statutes. Therefore, the
 162 Legislature determines and declares that this act fulfills an
 163 important state interest.

164

Section 7. This act shall take effect July 1, 2021.