

FOR CONSIDERATION By the Committee on Governmental Oversight and Accountability

585-00843A-21

20217018pb

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:

40

Dates of Contribution Rate Changes	Contribution Rate
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41

42

October 1, 1987, through December 31, 1988	0.24%
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43

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

44

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

45

January 1, 1995, through June 30, 1998	0.66%
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46

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

47

July 1, 2001, through June
30, 2013

1.11%

48

July 1, 2013, through June
30, 2014

1.20%

49

July 1, 2014, through June
30, 2015

1.26%

50

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

1.66%

51

Effective July 1, 2021

1.50%

52

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.

58

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

60

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.

64

(3)

65

(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%
---	-------

77

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

78

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

79

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

80

July 1, 1998, through June 30, 2001	0.94%
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81

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

82

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

83

July 1, 2014, through June 30,
2015 1.26%

84

~~Effective~~ July 1, 2015,
through June 30, 2021 1.66%

85

Effective July 1, 2021 1.50%

86

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.

92

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

94

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

96

(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.

100

Such contribution constitutes the entire health insurance subsidy contribution with respect to each such member. A change

101

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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	Contribution
106	Rate Changes	Rate
107	October 1, 1987, through December 31, 1988	0.24%
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

Percentage of
Gross
Compensation,
Effective

Membership Class

July 1, 2021 ~~2020~~

127

128

Regular Class

4.91% ~~4.84%~~

129

Special Risk Class

15.27% ~~15.13%~~

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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

138

139

140

141

(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:

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.